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APRIL 20, 1933

APR 28 1933

The Magazine for
MARKETING EXECUTIVES

SALARIES

management

Does It Pay to Sell
at a Loss to Absorb
Overhead?

By William E. Curley
Vice-President, The Thompson & Lichtner Co.

A. F. L. Joins Retailers
to Combat Cigarette
Price-Slashing

Designing to Sell . . .

TWENTY CENTS

● announcing a new series of articles on

MANPOWER PROBLEMS IN SELLING

We wrote to subscribers. We talked with subscribers. We studied the stacks of inquiries which come into our offices every week. And we found that practically everybody wanted more editorial material on hiring, handling, training or paying salesmen—more terse, meaty articles on any or all of the various subjects which fall under the head of “manpower” problems in selling.

Hence, we put our editorial heads together and laid out a series of articles to run within the next year, on the twelve subjects listed opposite.

At least fifty leading sales executives from various fields will contribute to this series or will cooperate in the preparation of it. Announcements of more individual articles, which will appear under the heads listed, will be made shortly.

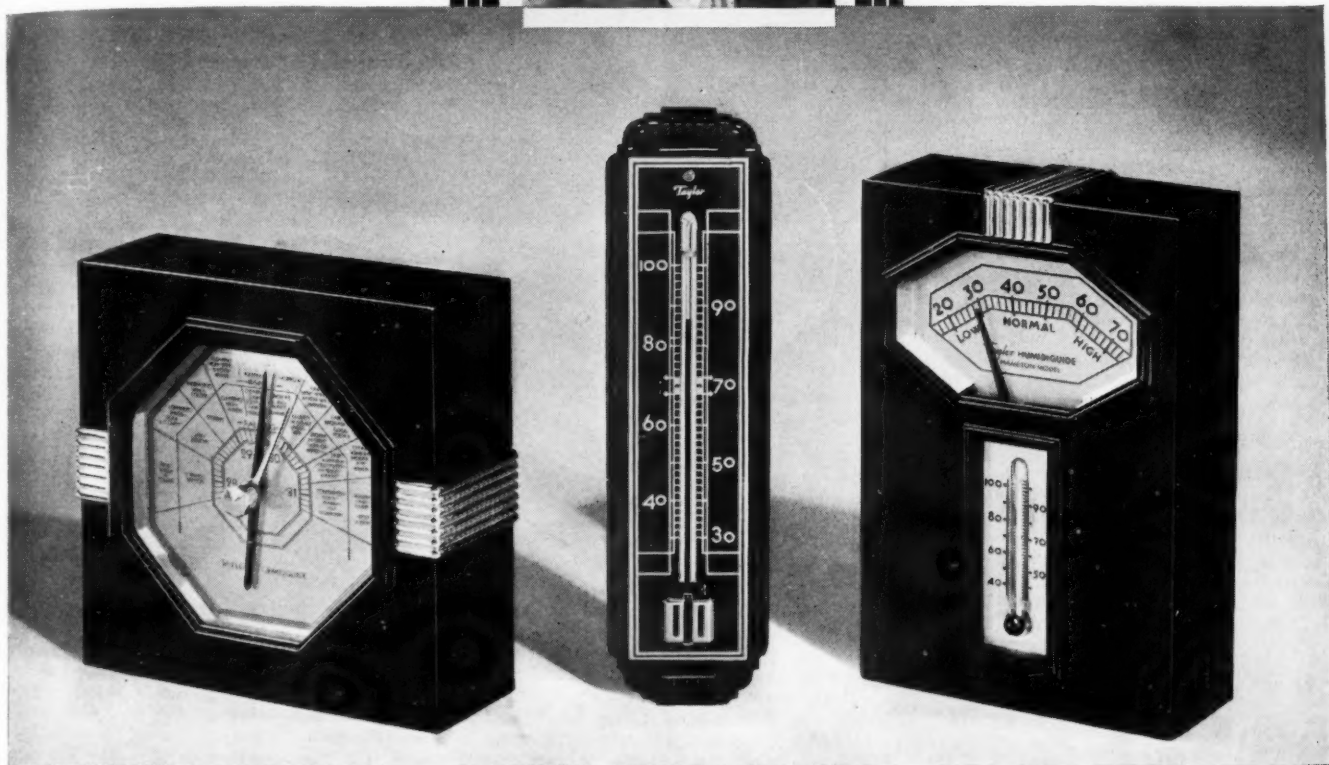
1. *Hiring salesmen.* How do companies that have no turnover problem on the sales force establish and maintain this unusual record? Bristol-Myers is one of these, and Earl A. Means, vice-president, will tell how they make selling a “lifetime” job in this firm.
2. *Training salesmen.* We’re going to find and report at least ten plans which are both simple and inexpensive—ideas which are adaptable to medium-sized and smaller concerns as well as big ones.
3. *Stimulating salesmen.* New ideas in letters to salesmen, sales bulletins, sales meetings and sales contests. The first contest story will be along very soon—something to help you plan a special campaign to stimulate summer sales.
4. *Paying and rewarding salesmen.* Compensation, expenses, honor awards.
5. *Human problems in managing men.* The first of these articles will appear next week. It is by Edith Gordon, general sales manager, Walter Drey Organization, New York—a woman who is successfully managing a sales force of 400 people, and who is selling 800 or more typewriters a month, depression or no depression.
6. *Equipping salesmen.* New wrinkles in portfolios, manuals and other sales tools.
7. *Controlling men in the field.*
8. *Survey on why salesmen fail.*
9. *Survey on why men succeed,* based on interviews with 20 or more star salesmen who made the best records in their companies during last year.
10. *Working in the field with salesmen.*
11. *Problems of supervision.*
12. *Laying out territories and routing men.*

SALES MANAGEMENT ●

Walter Dorwin Teague, 210 Madison Avenue, New York, is a leading exponent of the sales value of beauty in product design. His work for Taylor Instrument Companies,



Eastman Kodak Co., and other manufacturers has been notably successful. Several of the Taylor Instrument designs in Bakelite Molded by Mr. Teague are shown below.



Walter Dorwin Teague says..

"Appearance always has been an index of quality. It is the business of the designer to reveal the quality of a product in its appearance."

IT IS TRUE, as Mr. Teague says, that "appearance always has been an index of quality" but only too often it is an index that fails to reveal the true worth of a product. The skilful redesigning of a device or appliance, to make it more attractive to the eye, time and time again has led to greatly increased sales, the out-stripping of competition, and has made "leaders" out of slow moving items.

The artist-designer studies a device, its operation, and its purpose, and then creates a design to be reproduced in appropriate materials. In scores of instances, as in the case

of the Taylor instruments illustrated, Bakelite Materials have been used to interpret the artist's designs. The inherent beauty of these materials, their strength, light weight, fine finish, durability, and the ease with which they may be formed into practically any shape, appeals equally to the designer and the manufacturer.

To become more familiar with Bakelite Materials and their possibilities, write for our interesting illustrated Booklets 26M and 26L describing "Bakelite Molded" and "Bakelite Laminated"

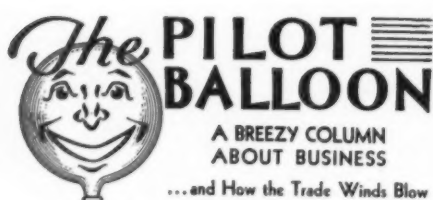
BAKELITE CORPORATION; 247 Park Avenue, New York, N.Y. 43 East Ohio Street, Chicago, Ill.
BAKELITE CORPORATION OF CANADA, LIMITED, 163 Dufferin Street, Toronto, Ontario, Canada

BAKELITE

The registered trade marks shown above distinguish materials manufactured by Bakelite Corporation. Under the copied "B" is the numerical sign for infinity, or unlimited quantity. It symbolizes the infinite number of present and future uses of Bakelite Corporation's products.

THE MATERIAL OF A THOUSAND USES

SALES MANAGEMENT, published semi-monthly, on the first and fifteenth, except in April and October, when it is published three times a month and dated the first, tenth and twentieth; copyrighted and published by Sales Management, Inc., 420 Lexington Ave., New York, N. Y. Subscription price \$4.00 a year in advance. Entered as second-class matter June 1, 1928, at the Post Office, N. Y., under the Act of March 3, 1879. April 20, 1933. Vol. XXXII, No. 9.



Conducted by Tom Tell

SALT SELLING

INTERNATIONAL Salt Company caused a "big noise" to be made about their product by distributing those popular "Oak" squawker balloons with fancy striped stems.

Two Up On Competitors

THE distribution of toy balloons to stimulate sales often achieves results thru increasing the unit of sale. Example: Desire to receive the balloon induces consumers to buy three packages, or boxes, or bottles, instead of but one. Subsequent use of this supply establishes the preference for this particular brand.

DIPLOMATIC SALESMANSHIP

A FREE balloon with every can is the form of sales diplomacy that has recently helped to sell 50,000 cans of Diplomat Soup. Balloon used is the Oak Rubber Company's Kitten Toss-up. Mr. Landi, advertising manager of Diplomat Products Corp., says that the balloon promotion plan has greatly increased sales and will be continued to open new territory.

Advance By Action

NOW is a good time for merchandisers to come to the aid of their products—with effective selling ideas. Declare that business shall be bigger 'n' better than ever. Then do something to achieve that aim.

That something could not include a more resultful method of increasing sales than the use of a timely toy balloon novelty as a premium. Like those, for instance, used so effectively by General Foods. All furnished by The Oak Rubber Company. And Oak says that values in sales promotion balloons are bigger 'n' better than ever.

This Record Creates Confidence

THIS month marks the beginning of The Oak Rubber Company's eighteenth year of continuous operation. Their record is one of constant growth and an unvarying maintenance of quality. A Dun report will reveal Oak's stability and reliability. He who does business with Oak knows that he will not be disappointed in the service rendered, nor in the quality of the product supplied.

Now's The Time To Know!

BECAUSE of the excellent results that are achieved thru use of sales promotion toy balloons you ought to get the facts. For complete information write to *The Oak Rubber Co., 210 S. Sycamore St., Ravenna, O.*

Survey of Surveys

BY WALTER MANN

Polk and the Oregon Journal

Reverberations continue to roll in from the application to their respective markets, by publications who show up well in the figures, of the facts secured by R. L. Polk & Company in their big consumer survey. One that recently came to this column's attention is that of the *Oregon Daily Journal*. It gives a complete, though briefed, description of the families living in Greater Portland—their buying habits and preferences and their general economic status. Since markets are people, this constitutes an excellent index to the Greater Portland market for many a product.

Pirie MacDonald
Walter Mann

The data are divided into three groups: (1) Resident Families (two or more people maintaining a household); (2) Resident Individuals (young business men and women living in hotels, boarding houses, dormitories, etc.), and (3) Transients. Family interviews, in as many cases as possible, were made with the woman-head of the family. Rigid check-ups insured accuracy.

Actual mechanical count showed that there are 90,440 families living in Greater Portland; that the average family consists of 3.37 individuals, which means that there are 304,600 individuals living in family groups in the area covered. In this group are 113,340 women and 103,440 men over 18.

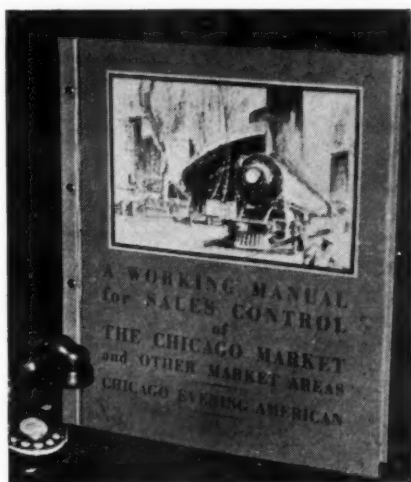
Polk bases its buying power classifications on chief wage-earner's occupation. In turn, the buying activity of the major occupational groups of various products gives a further qualified picture of buying power. This report classifies buyers into high, medium and low, based entirely on spending performance. Class A comprised 7.41 per cent of the total; Class B, 61.32 per cent; Class C, 31.27 per cent. Interesting figures are given as to the percentages of these three classes that have telephones, savings accounts (which have jumped a lot since moratorium days); those who own their homes; the average rent the non-owners pay; those who own a piano, a radio, a vacuum cleaner, an electric washer, an electric refrigerator or an automobile. Important data are given also regarding the price range habits of these three classes on women's house, street and evening dresses; winter, spring and fur coats; millinery, hosiery; shoes; also men's clothing, shoes and hats. Similar figures are also given for ten zones, which help an advertiser to determine the intensiveness of distribution required for various parts of the city as a complete market. Interesting details are also given showing the status of the *Oregon Journal* family as compared with the average family purchase in a long list of products.

Totally unembellished with promotional frills, this is a study worth reading and having. Address the *Journal* direct, at Portland, Oregon.

Voluntary Grocery Chains

Offered "in the interests of the smooth, sustained functioning of the entire food business," is a new 82-page handbook on "The Voluntary Chains—an Adjustment in Relationships and Methods," published by the American Institute of Food Distribution with offices at 122 West 42nd Street, New York City. It was put out at this time, says Gordon C. Corbaley in the preface, (1) to convince every member of the Food Institute that their viewpoints are based on thorough, conscientious work; (2) to supply a word-picture of the trends in each part of the foodstuffs business in their broadest sense; (3) to state and restate certain influences controlling the adjustments in this field, thus to force consideration of these factors in making decisions.

First, comes a chapter on the direction of voluntary chain progress and the current adjustments that are going on in methods of distribution. Then one outlining the Institute's interest in the subject. Next a chapter on the rebuilding and reappraisal of the data on the subject which has been piled up over a period of years for this report, and another on the character and extent of recent voluntary chain growth. Another on the evolution of methods in voluntary chain relationship and still another on the 1932 status of these relationships, covering such subjects as group advertising, public identification of member stores, participation in cost of advertising and overhead, supervision of merchandising and store operation, the handling of perishable and semi-perishable lines, privately controlled labels, etc. Two long chapters on the relationships with other lines than groceries may be old stuff to the regulars, but was very interesting to "S. O. S.," as was a chapter on the co-operation of voluntary chains with manufacturers. Finally we find a chapter on the probable immediate trends in food distribution, which says that excessive price competition inevitably results in lower wages, which in turn contributes to the existing depression and which must be removed. Large diversified stores will grow and succeed; bargain markets are mushrooms that will vanish with the return of good times; many unnecessary retail outlets will disappear. Selling by both manufacturer and dealer will be concentrated on the consumer. Packaging, merchandising and advertising will improve, etc., etc. An excellent though wordy report on a vital distribution subject. Anyone interested in the growth of voluntary chains from any angle or for any product should have a copy of "The Voluntary Chains." No price is indicated on this report, but it certainly isn't free. Any readers who are interested should write directly to Gordon Corbaley, head of the Institute, who may give you a copy, but who much more likely will tell you what it costs.



With This, You *KNOW*

Sales executives guided by "A Working Manual for Sales Control of the Chicago Market and Other Market Areas," are exceptionally bulwarked against modern competitive pressure. For where others may perforce depend on no more than guesses, they know such vital facts as: the numerical, racial and economic aspects of population; retail outlets by kind, number and location; retail sales in dollar totals and per family; number and classified

worth of owned homes; number of rented homes and average rental; pedestrian count at street intersections in retail centers and many other facts equally important. ... A letter or phone call to the nearest Boone office or this newspaper will bring the Boone Man and the Manual to your office.



Little more than a month away is the opening of A Century of Progress Exposition — and the arrival of the first of millions of added customers in the Chicago market.

CHICAGO AMERICAN

a good newspaper now in its TWELFTH YEAR of circulation leadership in Chicago's evening field.

National Representatives: RODNEY E. BOONE ORGANIZATION

The Postman Whistles

Leaders Failing, the Public Must Think

AT the request of our Mr. Talcott you recently sent us ten copies of Section II of the March 15 issue of *SALES MANAGEMENT*, entitled "Plans for Speeding Economic Recovery in America."

The writer has read this article with great interest. I know little of finance or economics, but during the last six months have read more articles than throughout the balance of my life. Your article, and especially the crux of the plan, seems to be logical and at least gives the public something to think about. I would like very much to distribute fifty of these among people that I have in mind and would ask you to please send fifty if they are available, together with a bill.

The big men in finance and business haven't been able to do much to solve our problem and I am firmly of the opinion that the more the public in general reads, studies, thinks, and endeavors to understand conditions, the better it will be for all of us. I am firmly of the opinion that something will have to be done for the masses or else the masses will do something for themselves.

P. W. FARNHAM, *President,*
Dakota Electric Supply Company,
Fargo, North Dakota.

WE thought we might get along without your publication for the next twelve months, but find it is hard to do. Section II of March 15 is worth the price of a year's subscription. Keep it coming.

E. A. BALDRIDGE,
Eureka Chemical Company,
Fort Worth, Texas.

I FEEL your editorial comments on plans for speeding economic recovery in America should be very helpful to business.

PAUL BLOCK, *President,*
Paul Block & Associates,
New York City.

PERMIT me to be one of the many who will congratulate you on your admirable presentation of the composite testimony before the Senate Committee on plans for economic recovery.

It is a distinct service to condense and appraise this mass of divergent opinion, and I feel sure that this service will be widely appreciated.

As to your own plan, and particularly your preamble, I should think it would seem virtually impossible to produce such a document and not create a considerable amount of disagreement, but I can find only one place to differ with, and that is Section 10 on anti-trust laws. This seems to me to be contradictory within itself, recommending the elimination of destructive competition while at the same time endorsing "rugged individualism." The two are incompatible in practice.

I am not enough of an economist to have an opinion on the merit of the plan for exchanging outstanding Federal Bonds for 100-year non-interest-bearing notes to be used as currency. It does not seem to provide any retirement provision. Shouldn't there be one?

Be that as it may, this should be a real contribution to a most complex problem.

W. A. McDERMID,
Van Schmus, McDermid and Crawford,
New York City.

To Cox, His Maxims; to You, Apologies

SOMEONE owes someone an apology, or an explanation. In reading the article on page 250 of your March 15 issue, I was struck with the familiarity of the messages to salesmen. After considerable search I dug out a little booklet, "Take It From Me," published in 1921 by the Coleman Cox Publishing Company, of San Francisco, and presumably written by Coleman Cox. . . . Most if not all of the "Maxims" were lifted from this volume. . . . This is good stuff, even if it is twelve years old, but don't you think that Coleman Cox should be credited as the author?

A good memory is sometimes a disadvantage. I should have

enjoyed reading the March 15 number more if I had not recognized the reprint of this old material without the acknowledgment of its source.

W. H. BARLOW, *Assistant Sales Manager,*
Albert Pick Company, Inc.,
Chicago.

(Dear, dear, but doesn't this publishing business get complicated at times, Mr. Barlow? Far be it from us to conceal the true source of anything good. Had we known Mr. Cox as the true parent of the "maxims" we should certainly not have published the material without his express permission and due credit. Although it's some years since Mr. Cox called on us, we still number him among our friends. Hence we rush to apologize and to tell readers who liked the sample of Mr. Cox's work that they can now run to the nearest bookstore and order a copy of "Take It From Me," knowing in advance that it will be worth the money. . . . There's something about all this that reminds us we saw part of our "Why I Lost That Order" (SM, Nov. 1, 1932) printed in the bulletin of the St. Louis Chamber of Commerce, credited to the news letter of the Associated Coffee Industries of America. Then it turned up in the McCray News, similarly credited. We were just too busy to write to remind anybody the article was copyrighted. Anyway, it tickles us to know our stuff is being used. That means it must be good.—THE EDITORS.)

A Hundred Readers in Search of a Book

FOR some time we have been a reader of *SALES MANAGEMENT* and have received much benefit from it. You are to be congratulated on the real value of the material appearing in your magazine. Having a personal experience that was first based on theory from studying, later on tutoring in commerce, and the last twelve years on actual sales and sales management, we measure a sales article by it. Your published interviews with and articles from men with real sales and sales management records have been a worthy contribution. Your latest article from Mr. Saunders Norvell is most interesting. We envy him his ability at such ably written expression.

A. ROY HILL, *Sales Manager,*
Koppers Connecticut Coke Company,
Hartford, Connecticut.

CAN you tell us where we may purchase the book, "Forty Years of Hardware," by Saunders Norvell? A number of our executives have been much interested in the article, "The Human Side of Management," appearing in the March 15 *SALES MANAGEMENT* and have inquired for the book mentioned.

ESTHER C. BENSON, *Librarian,*
Hardware Dealers' Mutual Fire Insurance Company,
Stevens Point, Wisconsin.

ON page 247 of your March 15 issue mention is made of "Forty Years of Hardware," an autobiography by Mr. Norvell. Can you tell me where I might obtain a copy of this book?

ALDEN CHESTER, *Vice-President,*
Globe American Corporation,
Kokomo, Indiana.

I WANT to compliment you on *SALES MANAGEMENT* for March 15, both Sections I and II. The article in Section I on "The Human Side of Management," by Saunders Norvell, is particularly good by a man looked up to as a national authority on sales subjects. Section II, containing a symposium of plans for speeding economic recovery in this country, is especially good. I hope you are receiving the necessary encouragement from subscribers so that you will undertake projects of this kind in the future.

W. T. MONTAGUE, *Director of Sales,*
North Company, Abrasive Products Division,
Worcester, Massachusetts.

(Memo to everybody: Mr. Norvell's book is now out of print and copies can no longer be purchased. You will, therefore, have to borrow or steal one if you haven't read it and want to. The second of Mr. Norvell's articles appears in this issue. The third will appear next month.—THE EDITORS.)

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SALES *management*

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Sales Letters

BY MAXWELL DROKE

Test, Test, Then Test Again

And the dove came in to him in the evening; and, lo, in her mouth was an olive leaf plucked off: so Noah knew that the waters were abated from off the earth.

GENESIS 8:11.

But the significant point is that this was not Noah's first test campaign. On previous excursions the dove had returned, "having found no rest for the sole of her foot." But Noah, realizing that conditions change, continued his tests.



Maxwell Droke

In this respect, the first ark-itest was somewhat smarter than the general run of modern merchandisers who hold that because a certain sales promotion plan failed last Autumn, it is useless to try anything this Spring. I have lately been talking with two mail-order men who virtually discontinued operations more than a year ago. Both believe that conditions have materially improved, and that the new psychology bodes them well. What's more, they are backing their belief with some test campaigns that are even now in the mails. If these doves return without the olive leaf of promise, they will presently try again. My guess is that, with this persistent spirit, these men will be operating profitably months before competitors awoken to the fact that the depression flood has abated from off the earth.

Sez You . . .

This being Caustic Comment Week, let us next turn to a letter sent out by a paint company to a list of prospective dealers:

"The House of Blank is an absolutely independent company, not associated in any manner with any other paint or varnish companies. It represents the accumulation of nearly 100 years' continuous experience in the manufacture of quality merchandise. Blank believes in better paint, sold more intelligently—

"In absolutely consumer satisfaction—

"In unqualified protection of their dealers—

"In the enthusiastic assistance by the Blank salesman in providing the dealer with the maximum turnover.

"With nearly 100 years' experience back of them, Blank knows how to carry these plans through to success.

"Your very truly,"

The writer of this letter asks why it did not bring results. I parry his question with another: Why *should* it bring results? There is little or nothing here to excite the dealer's interest and incite him to

Standing Invitation

Mr. Droke is always glad to criticize sales letters and direct mail messages for our subscribers. There is no cost or obligation for this service. Address him in care of SALES MANAGEMENT, enclosing a stamped, addressed envelope for reply.

action. The writer has extended no invitation to the dealer, suggested no move that he might advantageously make. I am moved to recall George Ade's comment on reading a certain realistic novel, "It's a true story; but what of it!"

A Pied Piper Letter

But all is not venom and vinegar. Here is a letter to which I can give fulsome praise. It is used by a London, England, company, manufacturers of vending machines, and accompanies an uncommonly attractive illustrated book. For more years than I care to count on my fingers and toes, I have been preaching the idea of "selling" the free book—that is, making the accompanying letter so appealing that the reader will turn to it naturally when he has perused the letter. See how well our English friends have done that very thing in this message:

"Dear Sir:

"Here is the copy of 'Your Way to Increased Profits.' It is a real pleasure to us to send it.

"We hope and believe that the book will be of assistance to you in increasing your net profit.

"So many people fail to realize how a very small increase in their turnover will result in a very much larger increase in net profit. This subject is fully dealt with in Chapters 1 and 2, page 7 and onwards.

"On page 24 you will find an interesting chart showing the hours when shops are open, and when they are closed. Most shopkeepers do not think of the fact that while they pay rent and rates for 168 hours' use of their premises every week, the average shop is only open for 75½ hours a week.

"May we respectfully enquire whether the situation shown by the pictures on page 26 could ever have happened in your business.

"You will have realized that we have an axe to grind in sending you this book, but we believe also that you will benefit if you give us an opportunity to grind our weapon. The booklet will tell you how.

"If, after you have read 'Your Way to Increased Profits' you would like our representative to call when he is next in your district, we shall be glad to arrange for him to do so, without obligation, of course.

"Send us the postcard pasted on the back

cover, opposite page 80. That will be all that is required."

I have never been able to understand why so many concerns persist in treating good customers as though they were merely aloof prospects. For example, I have before me a letter despatched by a company selling apparel through house-to-house representatives. This letter goes exclusively to customers. An opening paragraph advises the customer of the approximate date of the salesman's next visit. This is followed by five paragraphs of generalities, dealing with the quality of the merchandise and exceptional service rendered by the company. No mention of the fact that the recipient is already a customer; no reference to past pleasant relations; not a single word of thanks for past patronage. In brief, this is just such a letter as one might write to the most frigid of cold prospects. Why do they do it? Well, you try to figure it out. It's more fun than a jig saw puzzle.

Oh, for Just 78°!

Field representatives of the Sanitary Scale Company are also charged with the responsibility of making collections from customers. And in addition to the usual sales contests, the company stages something that is new, at least in my experience—a collection contest. I recently observed one of their letters which features what appears to be an ordinary thermometer, scaled from 100 to 0. On each letter the salesman's individual collection rating is indicated in red. The letter explains:

"No, Sir, that's not just an ordinary thermometer. That's a delinque-nometer, made to measure the amount of delinquent accounts in your territory.

"One hundred per cent is what you started the month with. What you end up with will mean whether or not you win a prize this month.

"The delinque-nometer with the lowest reading after the 31st wins a prize—one prize in each of three brackets.

"Last call for collections in January. One week to go! All money must be in the mail by midnight next Tuesday to count on the Collection Contest.

"I wish you success in cleaning up your slow accounts this last week of the contest.

"It certainly will be interesting to see which division will win two out of three prizes for their collection work.

"Will you get the prize in your bracket?"

In the course of a year I receive a good many letters designed to stimulate inactive accounts. In most of them there is some paragraph such as this: "What has caused your absence? Surely you must have a reason . . ." etc. But, strangely enough, in many cases the customer has no definite reason. He has simply drifted away. Why not invite him back into the fold without insisting upon the inquisition?

THE BEST BOND AND LEDGER PAPERS ARE MADE FROM RAGS



WHAT IS GUARANTEED BOND PAPER?

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Neenah guaranteed papers at various prices are available for every bond and ledger need. Other bonds are Old Council Tree, Success, Conference, Neenah, Glacier. The ledgers are Stonewall, Resolute, Prestige and Putnam. Samples will be sent upon request.

IDENTIFY RAG-CONTENT QUALITY BY THE NEENAH OWL WATERMARK



Tipping never toppled over any tough customers — says Joe Hawley, salesmanager

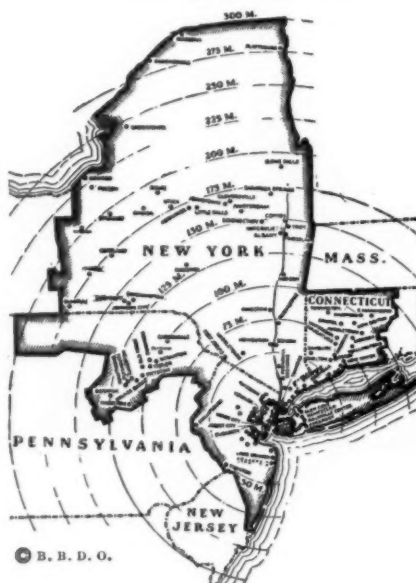
FOR a minor item on the swindle sheet, the top-heavy tip raises more hell than any other form of alleged sales expense. Tom Harris used to be our worst offender.

"Tom tried to build himself up by feeding every palm that faced up. On a Pullman the porter forgot everybody else, and people gaped at the plutocrat who grabbed off all the service. Before he got out of his taxi at a hotel, the help seemed to sense that a sucker was back and rushed to the front in a bunch to get into the gravy. Tom got an express elevator to his floor and arrived up to his hips in boys trying doors, opening windows, turning on lights, dragging up ice water and asking if there was anything else. Tom loved it. After buying this regal welcome, nothing could discourage him. He was just high pressure plus. And he figured it didn't cost much as long as the company paid for it.

"I never could see where this tipping got us any orders. The dealers whose business was worth having weren't buying our stuff because Tom bought himself some delusions of grandeur. And many's the time the telegraph company turned back my messages to Tom because their contents were too highly profane. However, we dispensed with tips and profanity when we herded Tom out to the New York office.

"He concentrates all his impressing these days on dealers and his wife and friends, none of which are tippable. He has his own car and gets home to dinner every night unless he wants to think

up a good excuse. And instead of depending on Tom as our sole support and representation, Tom found out that the company was supporting him. We tipped off the dealers ourselves, when we started using the Sunday News. Now Tom feeds his superiority complex by bragging to the trade about our comprehensive advertising and doesn't feel the need of subsidizing bellhops and porters any more. And we feel that the expense in Sunday News space was better than an expense account."



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OTHER salesmanagers than Joe Hawley are finding the New York market particularly profitable in these times. Thin selling in stricken territories can't carry its old share of overhead. But selling here is still profitable because there are still millions here able to buy. One-eighth of the country's population is crowded into one-sixtieth of its area. There are more people on payrolls, more spendable incomes—close enough together to keep selling expense at a minimum. And there is one medium here adequate to this huge market.

With more than 1,800,000 circulation, the Sunday News affords more coverage than any single national medium; reaches a majority of families in New York City itself, and goes to more than 20% of all families in 94 other cities of over 10,000 population in the market. It has enough influence to make enough customers to make dealers feel the effects of your advertising. It sells goods, even in these times. And it costs so ridiculously little for what it is and what it does—that it costs you more to go without it! Investigate!

THE NEWS
New York's Picture Newspaper

220 EAST 42nd STREET, NEW YORK
Tribune Tower, Chicago + Kohl Building, San Francisco

MEMBER OF METROPOLITAN SUNDAY NEWSPAPERS

Significant Trends

As seen by the editors of *Sales Management* for the fortnight ending April 20, 1933:

• • • We had written a paragraph for this spot which dealt with the imminence and the extent of inflation. Now, with the developments of Tuesday and Wednesday, there is no point in saying anything about the imminence of inflation or reflation. It is here—unmistakably here. As to the extent, we only know that the President has many times expressed himself in favor of an "adequate but sound" currency, and that, given the alternative of keeping up the price of the dollar abroad or doing something to raise prices and purchasing power here, he has, very wisely we think, chosen the latter course.

• • • Prices are going up; employment and profits will follow.

• • • Statistics as a pointer and measuring rod of future business trends are almost futile at this time. The power just now is not in business, but is in the political forces of government.

• • • More and more business is surrendering—quite willingly, it seems—to the guiding forces at Washington.

• • • At last a workable differentiation between "inflation" and "reflation" has been advanced. The former refers to the printing press plan of currency increase, the latter to expansion of *credit*. It is believed that President Roosevelt favors *reflation*.

• • • Saunders Norvell, the president of Remington Arms, said last week in a talk before the Sales Executives' Club of New York, "Most statistics bore me. I watch just one index—the prices of raw materials. When these prices go up I know that business will be better, and when they go down I know that business will go down with them."

• • • In the same talk he said that it was becoming increasingly difficult for his company to buy adequate supplies of copper and lead. This checks with reports we get from many manufacturers, who seem to sense an upturn in prices and are trying to protect their raw material needs for several months to come. Prices of almost all basic commodities have had a steady rise since early in March. Grains have jumped more than one-third.

• • • Statistical records were thrown out of joint by the Bank Holiday, and the following summary should be interpreted with that thought in mind:

Freight loadings—Above the level prior to the Bank Holiday. For 4 consecutive weeks have made better than-seasonal showings.

Steel production—Up $4\frac{1}{2}$ points from the low of the year, established March 25. The Youngstown district operations are ahead of last year. Pig iron and scrap prices are stronger.

Automobiles—Sharp gain in production indicated for April over March. Sales better than expected. Retail dealers' stocks of new cars cut by 5,000 in March.

Electricity—Production running only 5.3 per cent below a year ago, with the improvement in the central industrial region the brightest spot.

Bituminous coal—If the output holds close to present levels for another two weeks the production will be ahead of last year.

Finances—Money in circulation has decreased steadily since the Moratorium, and bank clearings have risen. Stock market shows confidence of better times. New York Stock Exchange averages April 10 went ahead of 1932 prices for the corresponding day—the first time this has happened during the depression.

Retail Sales—Easter business was the most encouraging in the last three years. Dollar sales of many big stores were ahead of last year.

Prices

The Irving Fisher All-Commodity Index of Wholesale Prices stood at 56.8 per cent of the 1926 normal on April 17—about where it was prior to the Bank Holiday. The Moody Weighted Index of Prices of Twenty Sensitive Commodities has risen more than 15 per cent in six weeks.

• • • Wheat prices have soared sensationally in recent weeks, and as is true also of corn, cotton, rye and sugar, are higher than at this time last year.

• • • The steel companies have been very active recently in purchasing scrap steel at rising prices. In normal times the price of scrap steel is an excellent barometer of business conditions a few months hence.

• • • The Tubize Chatillon Corporation in its current review of trade and business conditions says, "The average price level of commodities and general merchandise will be fully 25 per cent higher than current levels before the end of the year."

Production

March building permits in 186 cities aggregated 15.7 million dollars, against 15.9 million dollars in February, and 32.2 million dollars in March, 1932, according to a compilation of Dun & Bradstreet, Inc. With New York City excluded, the other 185 cities showed a March increase of 27.4 per cent above February.

• • • All new Federal building work is held up pending the working out of the building program, except that contracts advertised by the old administration are being let as scheduled. Most states are holding up on road building contracts until the status of Federal aid for highways is determined.

• • • President Grace of the Bethlehem Steel Corporation reported on April 11 to stockholders that several of their plants which had long been idle are now reopened: "We are in no sense pessimistic about our situation."

• • • Steel production for the week ending April 15 averaged $19\frac{1}{2}$ per cent of capacity, up 3 points during the week for the sharpest gain of 1933. The month may top last year's total.

Distribution

You may be interested in checking your sales for the first two months against the quota and performance records of the Electric Refrigeration Bureau, which cover household models only. Ten per cent of their year's quota of 802,170 refrigerators is budgeted for the first two months, and they realized 67.5 per cent of this quota.

• • • States which equaled or exceeded the national average were Massachusetts, Delaware, Maryland, District of Columbia, New York, Kentucky, West Virginia, Kansas, Missouri, Arizona, Alabama, Georgia, South Carolina, Virginia, Colorado, New Mexico, Arkansas, Louisiana, Oklahoma and Texas. States in southeastern and southwestern divisions made the best showing.

• • • Sixty-three per cent of the increase in freight loadings in the last four weeks has come from merchandise freight, mostly manufactured goods. Percentage declines from last year were the smallest in several months.

• • • Estimates prepared by the thirteen Shippers' Advisory Boards indicate that freight car loadings in the second quarter will fall only .3 per cent below the corresponding period of 1932. This would be more encouraging if these boards had not been consistently optimistic in their estimates since the depression began.

• • • The Merchandise Manager of the New York Saks Fifth Avenue store claims that in the last fortnight there has been more buying of diamonds, fine luggage, furs and pearls than in any period since 1929.

• • • Wirk Garment Industries Company, whose advertisement appears in this issue, is trying out an interesting method of cooperative selling, which, if successful, could be applied by manufacturers in many lines.

• • • Automotive sales since the ending of the banking holiday have been surprisingly good. March sales to consumers of the General Motors Corporation gained 12.2 per cent over February and were only 2.6 per cent less than last March. Preliminary reports for April indicate that sales are slightly better than last year.

• • • Retail sales of Chrysler and Ford thus far in 1933 have run ahead of a year ago. Those two companies and General Motors have registered 88 per cent of the new cars this year, the bulk being in the low-priced classes.

• • • Despite the interruption caused by the Bank Holidays, the business of the U. S. Steel Corporation held up remarkably well in March, and the unfilled tonnage was down only 13,198 tons at the end of the month.

• • • The improvement in retail sales in most sections of the country during the first half of the month seems to have gone somewhat beyond seasonal expectations. The release of frozen banking money, the return of beer, and higher commodity prices combined to bring this about.

• • • Department store sales in March showed a decrease of 27 per cent in dollars from last year, as against declines of 23 per cent and 20 per cent in February and January. In making the comparison of this March with last year, allowance should be made for the fact that Bank Holidays had a crippling effect, and also that Easter fell in March last year.

• • • A month ago we reported that in January wholesale stocks in nearly every section of the country declined at a much faster rate than sales. February, according to reports from the Federal Reserve Banks, did not carry through. Based on incomplete returns, it seems that stocks declined more than sales in fifteen instances, while the reverse was true in twenty-three.

Plus Signs

The Grigsby-Grunow Company is employing more workers than a year ago. Production of both refrigerators and radios is slightly ahead of 1932. Collections are better than at any time in twelve months. . . . Imports of India Tea for the first eight months of the fiscal year 1933 show a 35 per cent increase over 1928, when the India Tea Bureau started its advertising campaign. . . . The tire companies have put through big production increases; Goodrich, for example, increased 40 per cent on April 1. . . . Philco radio sales in the first week of April were greater than the entire month of April last year, and February and March sales exceeded the 1932 dollar figures. . . . The 1933 advertising campaign of the Van Camp Sea Food Company is \$50,000 greater than last year. . . . National Bellas Hess first quarter sales volume was 25.2 per cent greater than for the last quarter of '32. . . . First-quarter tonnage sales of General Foods Corporation were 6.6 per cent greater than last year.

• • • Deliveries of new Studebaker cars in the last ten days of March were ahead of any other ten-day period since June, 1932. . . . The Eastman Kodak Company this Spring is running more advertisements than ever before. . . . Continental Oil Company has signed more than 1,000 new dealers for its "bronze" gasoline since the advertising campaign started on January 24. . . . The Armand Company has released what it calls the biggest local newspaper advertising campaign ever conducted by a toilet goods manufacturer. . . . Lydia Pinkham agrees with Roger Babson that advertising can restore prosperity. The company this year is spending \$1,000,000 in 2,000 newspapers and one-third of a million more for thirty million booklets, and for window displays and counter cards. . . . A news article in this issue carries the story of the "biggest" advertising campaigns ever undertaken by several oil companies.

Potpourri

Many advertisers of food and drug products will be on pins and needles until a new bill, being prepared by Assistant Secretary of Agriculture Tugwell, is presented to and disposed of by Congress. This bill calls for departmental censorship over all food and drug advertising copy, and advertising agencies would be held jointly responsible with manufacturers for false representation advertisements. . . . Such censorship, if enacted, would hold up the release of timely newspaper copy, and might possibly discourage some advertisers, but the bill has a distinct bright spot. Consumers might believe advertising claims more readily if they knew that they had been approved by the government.

• • • For the first few months of the year business failures dropped 20.8 per cent from the corresponding period of last year, and the insolvency index at the end of March was the lowest since August, 1931. The latter month is usually the lowest month of the year, while the March index is always close to the highest.

BY
WILLIAM E.
CURLEY
Vice-president,
Thompson & Lichtner
Company,
Boston, Massachusetts



Q A shoe manufacturer who thought he was saving money by taking on a secondary cheaper line later discovered that he was out of pocket because the new line had gone directly into competition with his standard merchandise.

Photo by
Ewing Galloway,

Does It Ever Pay to Sell at a Loss to Absorb Overhead?

THE policy of "selling goods below cost to absorb overhead" has not arisen simply during this deflation period. But it has undoubtedly become intensified during this period. Anxious manufacturers, seeing plant and equipment idle with overhead going on, are casting around for some product, some side line, which can be made in and with otherwise idle plants and equipment. Everywhere there is the same anxious groping for some product which will "help carry the overhead" and so increase the profits or reduce the losses on the regular product.

First, let us define "goods below cost." We are not referring to legitimate goods which have become "distress merchandise." As long as individual human endeavor exists there will be distress merchandise on the market and there *must* be a market for such merchandise, regardless of

This idea of taking on new lines to help to absorb selling and administrative expense on the regular line often looks well on paper, but in practice works only as an added burden on a business. How to judge whether such a policy can definitely be made profitable for your company is graphically explained here by a competent management engineer.

how low the price, if necessary liquidation is to go on. And while such goods undoubtedly curtail the purchase of what may be termed legitimate merchandise—and to that extent may be considered unfair competition—a free market for distress merchandise must continue to exist.

By "goods below cost" is meant goods manufactured and priced (un-

der best conditions) to cover material, direct labor and *only part or none* of the burden of selling and administrative expense. Goods produced and sold under such arbitrary costs have, of course, definite competitive advantages over goods produced in the regular course of manufacture. Consequently, from the broad view of industry as a whole, such practice is

not clean competition, but is unfair dumping. Carried to its logical conclusion, each legitimate product eventually will be in competition with the by-product of some other industry, the circle will be complete and each plant will expire through bankruptcy. However, as the individual manufacturer will not be altruistic enough to consider industry as a whole until the arrival of the Millennium, this selling goods below cost to help carry overhead must be examined from the selfish viewpoint of the individual manufacturer.

What Is "Profitable" Business?

Assume for the moment that he has a certain amount of business at a reasonable price level. This does not necessarily mean profitable business. Under present conditions, it probably means business which absorbs what would be its share of overhead and selling expense at what he has considered a normal amount of business. But he has not a normal amount of business, and consequently he is suffering more or less large losses due to under-absorbed overhead. Anything he can make to bring up volume will, he feels, if he puts on only a small overhead, make his balance sheet better to the extent of the otherwise unabsorbed overhead, be it ever so small, that he tacks on to the additional product. And this assumption is quite true, provided:

First—That this additional product, sold at cut prices, *does not come into competition with his regular product.*

Second—That he has a clear analysis of his overhead and knows exactly what part of it is variable, and what part is actually fixed, and throws into the cost of the special product all the variable plus some part of the fixed. If, as frequently happens—due to lack of proper analysis of overhead—he does not get all his variable overhead in, he is not even swapping dollars but is giving dollars away.

Now let us look at the "competition with regular goods" question. There will be cited two actual cases coming under the writer's observation. Both cases occurred during the boom times of the late 'twenties, and, strangely enough, both happened to be in shoe manufacturing.

Case Number One. A fair amount of legitimate business, but, like many shoe companies even in times of good business, a considerable amount of excess productive capacity. A company organized for *shoe selling only* made the manufacturer this proposition:

"We can sell shoes, if the price is right. We are not manufacturers, having neither the skill nor the facilities. We are interested in manufacture only to the extent of getting shoes of the grades we can sell. You have excess plant, equipment, supervisory personnel and can get additional labor. In other words, without adding to your overhead at all, you can produce for us 500 pairs of shoes a day. For this production we propose to pay you the cost of material and labor, no overhead at all, but a flat 10 cents a pair over and above material and labor."

Now this sounded like a clear \$50 a day additional net income. However, it gave to the selling organization shoes at a materially lower cost than the cost of regular shoes produced by the factory with the normal overhead added. The consequence was that the shoes produced for the outside selling organization soon came into direct competition with the factory's regular production and reduced the sale of profitable shoes, thus resulting in a net loss instead of a profit.

Beware the Step-Child Line!

Case Number Two. A profitable volume of business in a substantial medium-priced work shoe. The management felt there was a considerable market for a good work shoe in a lower price range, and figured this would be a substantial additional business, if such a shoe could be produced. Varied expedients—mostly simply bookkeeping figures, including a reduction in selling commission, which necessitated an increase in commissions on regular line of shoes; an arbitrary reduction in the figured cost of upper leather, using the poorer parts of the skins for the cheaper grade and the better parts for the regular shoes (which, of course, raised the cost price of the regular shoes); an arbitrary scaling down of the overhead—brought the cost of the proposed new line to the lower price range; that is, on paper. The new line sold well. The management was well pleased until it discovered that every pair of the lower-priced line sold meant the loss of one pair of the regular line. Instead of additional business, the new line had gone into direct competition with the regular line.

In both these cases the theory was good. In each case the new line was expected to produce *additional* business, and if it had been additional business would have been profitable in the sense of resulting in additional net revenue. But in each case the result was direct competition with the regular product, with a consequent

lowering of the average selling price of the product.

On the other hand, a manufacturer of building papers had a chance to sell an order of three carloads (a very large order for him) at a price which, while well below coverage of cost of material, labor, overhead, administrative and selling cost, was yet a price sufficient to cover material, labor and a considerable part of the fixed charges. The sales department was anxious to accept the business, the owner was opposed to selling at a price that showed a book loss. The matter being referred to the author of this article, the following questions were asked:

1. Are you sure the selling price covers materials, labor and part of the overhead? Answer was "yes."
2. Can you get this order at regular prices? Answer was "no."
3. Will this sale establish a price precedent and result in depressing your regular prices? Answer was that this was a special lot for a special customer outside the regular territory.

Under the circumstances, assuming the answers were correct, our advice was to accept the order, as it would increase the profit position of the company.

The great danger, of course, in any business of this kind, is the possibility of depressing current price levels by establishing lower prices which may come to the attention of regular customers or may incite competitors to the same tactics, with the net result of swapping customers for goods at legitimate prices, for customers for goods at cut-throat prices.

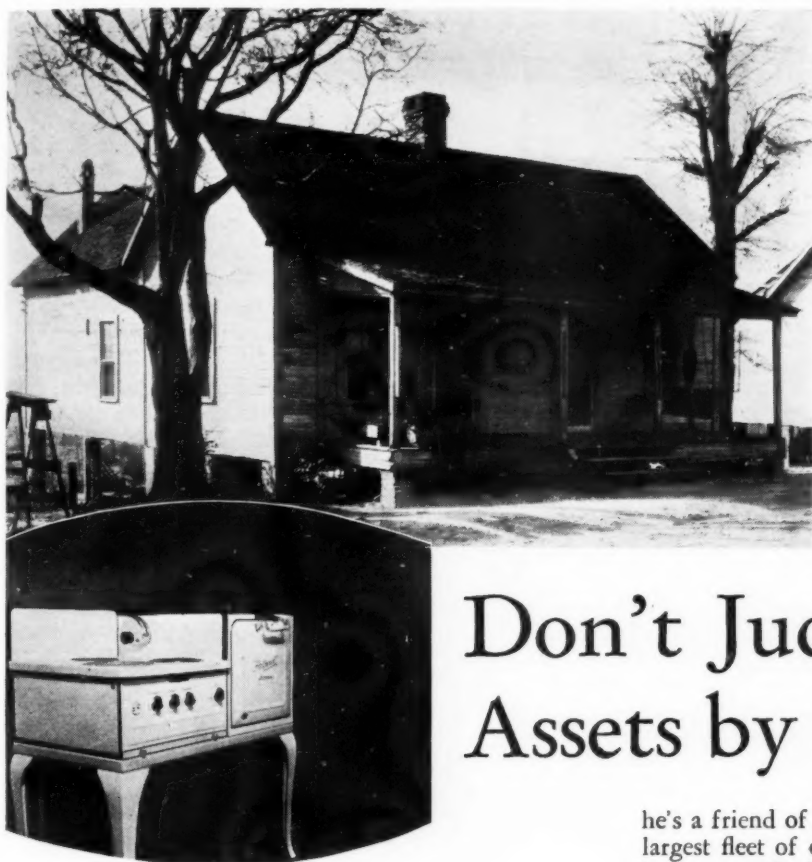
Five Rules for Pricing

A sales manager for a large concern manufacturing equipment, on which the materials and direct labor could be estimated with great exactness, consulted us regarding his problem of accepting or rejecting an offer of business from a prospective customer at a lower price than his legitimate bid for the business. Having first satisfied ourselves that such possible business was not competitive, and—being special equipment—that it did not establish a price precedent, and, furthermore, that he either took the business at that price or the business was lost to him, we advised the adoption of the following principle. The details were worked out later by his accounting department.

The selling price *should* include

1. Material—which was exactly predictable.

(Continued on page 455)



Most salesmen would pass up a house like this, but there was an electric range in its kitchen! The owner of the shabby home had money to pay for other "luxury" items, too—and was buying them.

Photo courtesy
Electrical Merchandising

BY
BRUCE
CROWELL

Don't Judge a Man's Assets by His Looks

A FRIEND who is a fire chief in one of the East Side districts of New York said this to me the other day:

"You know, I get into a good many of these so-called 'poorer class' homes in a year's time, and I've learned a lot about the way people live. One thing continues to surprise me: I see dozens and dozens of families where five or six people may be living in three rooms, where the furniture is cheap and the expenditures for food and clothing are obviously very limited. Yet frequently there's a fairly expensive radio, and almost always one or two other articles which are purely luxury merchandise. What gets me is that you'd never think, from the looks of the places, that these people could afford to have possessions which run into so much money."

Then along came a chap who told me this story, the moral of which is strikingly similar.

The man I refer to is a salesman. He works in Connecticut. Said he: "In covering my territory I frequently passed by a certain rough cabin near the waterfront in Sound Beach. It looked like the home of a poor fisherman. I later identified its owner as a certain Captain Welsh. In conversation with a wealthy estate-owner of a near-by Connecticut city, the conversation somehow took a turn which led me to mention Captain Welsh and the cabin by the sea at Sound Beach. I understood Captain Welsh had, at one time, worked for the estate-owner, and said so.

"The man laughed. 'He didn't work for me—

he's a friend of mine. At one time he owned the largest fleet of oyster boats in the Sound, and he has now retired.'

"I later discovered a beautiful 50-foot cruiser tied up at the dock in front of Captain Welsh's shack and learned that he had bought it for his sons. Having spent most of his life as a seafarer, he undoubtedly was the kind of man who preferred to live very modestly in his home surroundings, but would cough up a barrel of cash to have a really beautiful boat in the family.

"All my ideas of purchasing power were upset by this experience. I began to wonder how many potentially able-to-buy customers I'd been passing up just because they, or their surroundings, *didn't look as though they had anything to spend*. I've made many, many sales since then, to people who didn't look like money but had plenty of it in the bank just the same."

I've told these two stories because the thought embodied in both of them is one that should be of value to you men who sell.

Don't judge the value of a prospect by his looks. Even if a man turns out to be unable to pay for a highest-quality piece of merchandise, he is always flattered if you assume, at the beginning, that he is.

Persons of known purchasing power who surround themselves with all types of luxuries are the targets for thousands of salesmen in a year's time. But those who live more simply represent a great opportunity usually overlooked, because so many people with things to sell judge by appearances only.

"You can never tell by the looks of a frog how far he can jump."

Hard-Boiled Management

In his first article Mr. Norvell discussed the "too-human" type of business man. Here he deals with the "hard-boiled egg". In the third article in this series he will show how both of these types affect the destinies of great businesses.

"If so men's memories not a monument be,
None shalt thou have. Warm hearts,
and not cold stone,
Must mark thy grave, or thou shalt lie,
unknown.
Marbles keep not themselves; how then,
keep thee?"

—John Vance Cheney.

MY last article was about the "human" executive and this article I have promised to write about the "hard-boiled" executive. Right in the beginning let me say that the hard-boiled executive is frequently very much misunderstood by his employees. Just because he is not a hand-shaker and a back-patter, and because he does not go around with a friendly smile and scatter kindly words throughout the organization, he is supposed to be hard-boiled. The fact may be that he finds it necessary to conserve his time, thinking and energy.

The hard-boiled executive, as compared with the very human executive, is frequently a man not in the best of health. He is generally nervous, easily irritated, and suffers from indigestion or some other physical trouble. I really do not know which is cause and which is effect—whether his being hard-boiled gives him indigestion, or whether indigestion makes him hard-boiled. But as I review executives the fact stands out in my mind that some of the greatest of them have been men who more or less all their lives have suffered from certain physical infirmities. As

I stated in my last article, we are what we are from birth. Probably the mere fact that the executive I am now considering started in life with some physical handicap has compelled him to conserve his energies, and has been a large factor in determining his methods of doing business.

Of course, there are hard-boiled executives who seem to have a mean streak that goes clear through them—executives who actually seem to enjoy giving pain—but such men are the exception and I will not say much about them here.

¶ "The hard-boiled executive is a man with the idea that nothing but results count . . . he is not inclined to make allowances. Explanations frequently bore him."

Photo by
Ewing Galloway,
N. Y.



on "The Human Side of Management"

BY SAUNDERS NORVELL *President, Remington Arms Company, New York City*

However, in passing, allow me to make the statement that while most fat men are good-natured, *when you find a fat man who is mean he is the meanest man on earth.*

When a child in a family is not quite as strong as the others, the mother is always coddling this child. He grows up expecting to have favors. He does not do his full share of the hard work. Life has been cushioned for him. Now, if this child develops an unusually good mind he evolves into an executive who is very difficult to please. He expects a great deal of those around him. He insists upon having it and as a result he develops into what is believed to be a hard, exacting master.

This type, especially in a large organization, usually avoids the hard, gruelling details of the business. If possible, he manages to get himself into an office in the background where he is not subject to constant interruptions. He selects the part of the business that appeals to him and very frequently this part is the financial end of the business. He studies reports. He checks up departments not so much by human beings as by figures. The whole institution, composed of living men and women, may be revolving all around him and to these people in the business he apparently gives little thought, but he is tremendously interested in cash balances, total sales, net profits and all the reports that indicate how the business is moving. *He is a man with the idea that nothing but results counts.* He is not inclined to make allowances. Explanations frequently bore him. If one man cannot get the desired results, then it is his idea that there should be a change and another man be given the job. In making these changes in his business he does not waste much time or human sympathy. He is the type that gets the thing done, frequently in spurts. He is a very intensive worker in spots!

But I have observed that this class of executives take a good many privileges that they do not countenance with their partners. Of course, the basis of these privileges is in the fact that their health is not very good. They get down later to business. They leave early. They take many afternoons off, and long and frequent

vacations. I have seen them come home from a long vacation to the South in the winter time, or from the North in the summer time, rub their hands and say—"I am feeling fine and now I will get busy." Their poor associates who have been grueling along in the business, working long hours in the heat of the summer, or in the cold of the winter, know what it means. Just as soon as he gets into his office, as soon as he gets his reports, then he will start after various departments. Man after man will be placed on the carpet. Criticisms will be straight and to the point.

Such a man in business, of course, is not an object of affection either by his associates or by his employees. *Nevertheless, we must admit that this type is needed in every business.*

Frequently these cold-blooded executives pride themselves on the fact that they are the "watchdog of the treasury." They love to watch the cash account. They love to study expenses. They love to cut down expenses. Usually they get themselves on the boards of local banks. They enjoy the honor of being bank directors and they also like to gather the inside information that turns up at meetings of bank directors. Usually these men are very clear, direct thinkers. Frequently they pride themselves on gathering information from every source, but, on the other hand, being very stiff-lipped and non-communicative with information they have.

These men, taking to themselves more spare time than their associates, hear of many good opportunities to make money, so frequently they are found making outside investments. In other words, I should say that while the hard-boiled executive keeps a weather eye on the business at the same time *he is giving a great deal more thought to his own personal investments than the human executive.* As a result of having more time to think and of possessing a naturally acquisitive temperament, these men almost invariably become well off. They are very modestly on the outlook for positions of honor and trust in the community. They bob up on various boards and committees with other influential people. As time passes they become presidents of important clubs.

It is a curious fact that usually they are not good club members. They are not especially well liked, but they are good club managers.

Comparing this character with the one outlined in my last article, it would seem while the time of the human manager is very much taken up with the employees in his organization, the time of the executive we are now discussing is usually taken up with these outside enterprises. He has little or nothing to do with the employees in his own business. As time passes, except to the other partners and the heads of departments, this man becomes something of a myth in the business. The salesmen and regular employees seldom have any contact with him. He belongs to that other side of the business, the "money side," that frequently tends to divorce itself from the human, working side.

This type in its evolution takes various forms. I have known such men to acquire a large fortune and then retire from active business. This does not mean they have retired from business. They have found it is much pleasanter to deal in enterprises in the mass than enterprises in detail. They pick up bargains. They take advantage of inside information and make money. They know what is going to happen before it happens. They travel from one winter resort to another. They cross the ocean. They are heard of in various European capitals, but almost everywhere you will find them associating with other rich men, gathering information, checking this information, making notes and investments.

Another form of evolution, and this is the evolution of the meaner type, results from their finding out that they are not really very well liked. People are not exactly natural with them. It dawns on them that their standing comes from the power of the money they have made. They realize that without their money, and without their positions, individually they would be nothing, so they continue to pile up money and to hang on to all their various positions like grim death.

As I have written before, the end proves everything. It is very unfortunate when this class of man finds himself alone in his old age. It is

(Continued on page 453)

The Threat of the Super-Market

BY H. M. FOSTER

A well-known writer in the food industry here discusses the significance of the super-markets which are causing such a hullabaloo in the grocery industry just now. What is your opinion about the effect this type of merchandising will have on distribution?

"THE Big Bear" super-market, in New Jersey, between Elizabeth and Newark, has frightened all groups in the food industry as nothing else has since the rise of the chains. Who would have believed a few years ago that such a conservative organization as the Associated Grocery Manufacturers of America would draft a bill, to be introduced in all state legislatures, against price-cutting, or that the American Wholesale Grocers' Association would offer a far more complicated one, but for the same purpose?

No such attention was paid to the first super-market in Los Angeles about five years ago or to the increase in the number of such markets up to nearly 250, including about 200 large "drive-ins." Returning travelers now say they are amazed at the size and beauty of the super-markets in Southern California, at their attractive methods of display and their clever merchandising stunts. They are crowded all day, drawing trade from a radius of eighty blocks away and doing approximately 40 per cent of the total grocery business of the territory. Leaving 30 per cent each to chains and independents has made pretty hard going for recently opened chain stores. Meanwhile, competitors of the big markets have been waiting for them to go broke. They are still waiting.

The progress of the super-market idea across the country did not cause hysteria at manufacturers' meetings or the spines of grocers to shiver, until "The Big Bear" arose in its might in the metropolitan area of New York. The "Canned Foods Mart," of Chicago, did not get into the papers until it went out of business, and the warehouse groceries, of Detroit, stirred

some talk, but filled no space in the newspapers. From the origin in California to the culmination in New Jersey, there was no blare of publicity from the Atlantic to the Pacific, until R. O. Dawson, head of "The Big Bear," filled the trade press with leading articles and broke into the New York Times.

It may not have meant merchandising genius to see the possibilities in the abandoned Durant garage in New Jersey, but there certainly seems to be something of the bargaining instinct in leasing it from a hungry landlord, with a liberal rent concession for the precarious trial months, and then letting space to dealers in drugs, radios, hardware, automobile accessories and everything else you can think of; and so making a profit, instead of an expense, out of rent. Mr. Dawson runs only the grocery business and lets the concessionnaires run all the others, while he takes not only rent from them but a percentage of their sales. But there is something more in the project than clever leasing and releasing. Years of experience in the Piggly-Wiggly chain stores—when Clarence Saunders, that Thomas W. Lawson of the grocery trade, was at the height of his spectacular career—have taught Mr. Dawson to beat the big chains at their own game. It means merchandising ability of no mean order to reduce operating expenses in the grocery business these days to anything between 6 per cent and 9 per cent and make a net profit of 3 per cent to 4 per cent on a volume of sales pushed in the first few weeks after opening to a rate of \$5,000,000 a year.

Mere size does not make a super-market. Ballyhoo is an important element, and Michael J. Cullen and R.


O. Dawson are no night school students of Barnum. The names, "King Kullen" and "King of Queens," of some of Mr. Cullen's super-markets on Long Island attracted something more than attention, but "The Big Bear" beats them all. Brass bands, waving flags and streamers all the way 'round the building with the words, "World's Greatest Price Wrecker—How Does He Do It?" caught the popular fancy and brought out the reserves to keep the bargain hunters from trampling one another. In this phase it is worth noting that the super-markets in the East are unlike those in California. In the West the stores are beautiful, modern and most attractive; those thus far started in and near New York are plain to the point of ugliness. There is not the slightest pretense at display and goods are just piled on the floor and on boards laid on horses. Salesmanship is raised to the height of pressure of Woolworth.

No wonder the individual grocers and the chain store managers of New Jersey were as frightened as the first beholders of an eclipse, when their sales slipped 30 per cent and then 50 per cent within the first few weeks of the opening of "The Big Bear." It is easy to understand their protests to the manufacturers of nationally advertised food products, whose goods are so conspicuous in the big market and the prices of which are not merely cut, but pulverized by the "World's Greatest Price-Cutter." It is easy to sympathize with their complaints to the Federal Trade Commission; to understand the origin of city ordinances against parking, even in the outskirts of Elizabeth; the sudden licensing of all retail stores, and the not too covert implication of refusing to license

(Continued on page 450)

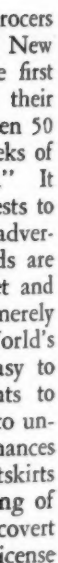
EXTRA VALUES
BEAR FACTS
EXTRA VALUES

**INAUGURATING
YOUR BUDGET'S
BEST FRIEND**



BIG BEAR, World's Champion Price Fighter, Pledges Himself To Continue Serving The Public With Still Further Price Crushing On Quality Merchandise!

— One day New Jersey newspapers refused to accept the Big Bear's full-page ads. But the campaign went on . . . in a four-page broadside entitled "Bear Facts" and distributed to every house within a 10-mile radius of the market.



"WHERE TO BUY IT" SERVICE MAKES YOUR LOCAL DEALERS EASY TO FIND

Thus you keep prospects away from temptation; they are less likely to accept substitutes—in fact, are less likely to be *offered* substitutes.

Kelvinator, Remington-Rand, Pontiac are just a few of the manufacturers now using "Where to Buy It".

Ask your advertising counsel for full information—or communicate with Trade Mark Service Manager, AmericanTel. and Tel. Co.; New York address, 195 Broadway (EXchange 3-9800); Chicago address, 311 W. Washington St. (OFFicial 9300).



CLASSIFIED TELEPHONE DIRECTORY

Check Protection--(Cont'd)

TODD SALES OF CHECK PROTECTION

Todd Protectographs.
 Todd Check Signing
 Machines.
 Todd Greenbac Checks
 and Stationery.
 Checkwriter
 Adjustment and
 Repair Service.
 General Indemnity
 Forgery Bonds.

"WHERE TO BUY IT"

TODD SALES CO. The Arcade. *MA In-1393

Display Ideas that Sell

BY F. D. GONDA

Vice-President, Einson-Freeman Company, Long Island City, New York

NO advertiser or manufacturer, unless born and educated an artist, is ever prompted to improve the appearance or attractiveness of his package by any abstract aesthetic consideration or pure love of art. There is one motive, and only one, back of any effort to improve a package, and that motive is to make it *sell*.

But there is another vital fact that some manufacturers seem to forget, and that is the simple truth that the most attractive, the best-designed package in the world, cannot *sell* if it isn't *seen*.

For that reason, no sane, farsighted manufacturer of a packaged product plans his package without having the factor of window and store display

definitely in mind, and making adequate provision for it in both his plans and his budget. Just as a purely aesthetic viewpoint seldom results in producing a package design that sells, so the creation of a successful display must inevitably be based on three practical considerations:

1. New trends in merchandising and retailing practice.
2. Basic changes in economic conditions.
3. Physical limitations of store layout and space.

Only by recognizing these new developments and devising displays that will intelligently meet these problems can the advertiser be sure that all the care he expends on designing his new package is not rendered largely in-

effective. What, then, specifically, are these new factors affecting the problem of package display?

The single factor that has influenced modern retailing more than any other is the rise of the chain system of merchandising. It has been responsible for the group item window. It has introduced open display and the self-service idea. It has made necessary the compact utilization of every inch of available space.

But if chain store methods and their adoption by independent retailers have contributed much toward increasing the efficiency of retail merchandising,

(Below) Dealers like the Unguentine floor stand because it promotes the sale not only of Unguentine but of a number of other related items.



(Above) "Get the merchandise into their hands and it's more than three-quarters sold" is a principle especially applicable to a product so pleasant to handle as a paint brush. The assortment suggests various uses and promotes multiple-unit sales. It sells a lot of paint as well as brushes.

(Right) The Red Cross First-Aid Products basket suggests a bargain, perhaps a hang-over from the days when the general store proprietor used to pile his left-overs into a box and label them "Your Choice, 10c." The idea still clicks successfully.



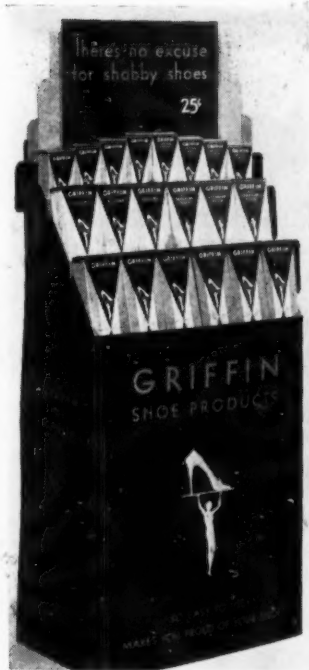
(Above) A. & P. flatters the customer into believing herself an Epicurean with this display of an assortment of coffees, with the price and a brief characterization of each. The copy would almost convert the non-coffee drinker!

(The displays pictured on these pages were all created to help solve some specific merchandising problem—one or more of which may be similar to a problem you face on your own line. Each display is discussed in detail in the accompanying article.)



(Left) The "merchandise panel" is a unique way of displaying a family of products. Its compactness defies the dealer to say "No room."

(Right) Shoe-shining places take to the Griffin hanging display because it can be nailed to the wall of a counterless shop.



(Left, below) The Drybak double-tier container is so easy to set up that the laziest dealer will use it, when he's likely not to bother with the more complicated sort.



(Left) The Hinds Honey and Almond "revolving disc" display does more than put over a graphic selling talk; it's a toy that keeps the likely-to-be-irritated customer occupied while she waits to be served, and attracts the attention of other customers to the display.

they have also multiplied the difficulties of getting adequate display for the individual advertiser's product.

Hand-to-mouth buying, brought about by the general economic stringency; increasingly keener competition for the constantly diminishing amount of display space available, are factors which have further complicated the advertisers' problems. But they have also served to stimulate the ingenuity and resourcefulness of both user and producer of displays.

How are these problems being solved today? What new principles of display, what new plans have been developed to meet them? In the main, these fall into two classifications:

1. Cooperation
2. Adaptation

By "cooperation" I mean any plan, idea or device intended to help the retailer:

- A. To sell the advertiser's product.
- B. To sell other allied merchandise in his stock.
- C. To sell his store or service to the public.

One of the most outstanding and intelligent examples of a plan to help the dealer to dispose of the advertiser's product is the case of the jig-saw puzzle as a premium. This was originally devised to serve some very practical purposes:

1. To secure display by advertisers in chain stores, the difficulty of which the advent of the chain store had increased.
2. To help the manufacturer to move his merchandise from the dealer's shelves, which the stagnation of trade had made more difficult.

The jig-saw puzzle was simply an

adaptation of an excellent principle that I believe all of us could bear profitably in mind, and that is this: If you want to sell the public, don't try to ram down their throats what you think they ought to have. Give them what they are willing and eager to accept. If you feel that an article of considerable utility and usefulness, used as a premium, may make them buy, and the public feel that possibly some inexpensive form of home amusement would be more acceptable to them, it would be far more sensible for you to drop all ideas of giving the public what you think they need and give them what they want. You will get considerably further.

Johnson & Johnson were able to sell their Red Cross products and get display for them, because they helped the druggist to sell himself, his service and his professional status to his customers. The Unguentine floor stand (see page 438), on the same principle, featured not only a complete line of the company's own remedies for the mitigation of sunburn, but also featured a long list of other allied products which happened to be timely and which the druggist also had for sale in his stock. For that reason, as well as for the reason that it was a compact display which took up very little

space, the display found room in the most crowded drug store, and, incidentally, disposed of a good deal of Norwich Pharmacal merchandise.

The other principle, "adaptation," may be defined as the shrewd application to the display of a new merchandising principle or new development in retailing; or the intelligent application of the display to a specific and new problem of retailing.

The vogue of the mass merchandise display and the group item window, for instance, has made it hard for the manufacturer to insure that his product would stand out in a general display. You know—those windows that are nothing more or less than a catalog of what the store carries—that is, even if the store carried enough packages in stock to permit of display at all. Dealers do not buy dozens any more—they buy quarter-dozen, and one-twelfth of a dozen orders are by no means turned down by the wholesalers.

Dummy cartons or empties were no solution. They simply encouraged waste and possible fraudulent refilling. The manufacturer had no control over how these dummies would be used or any assurance that they would be used at all. The answer to this problem

(Continued on page 448)



¶ After learning, through a survey of the Chicago market, that most manufacturers of a line of related food products seldom had their complete line in the retail outlets, La Choy Food Products, Inc., built a strong family resemblance into its line by way of package design.

BY
R. S. McFADDEN

Designing to Sell

SEPTEMBER, 1932—La Choy Food Products, Incorporated, analyzes competition in the canned Chinese food market in the Chicago territory. Finds twenty-two brands of chop suey products on the shelves of retailers, including the products of eight manufacturers, and fourteen items under the labels of local distributors. Finds no dominance of any one brand in the local field, and very few complete assortments of essential ingredients for Chinese food dishes under a single brand name.

October, 1932—La Choy Food Products, Incorporated, presents a plan to Chicago wholesalers and retailers for standardization on one line of Chinese food products. Plan includes complete restyling of La Choy line, liberal advertising allowance to voluntary and regular chains and group buying organizations for a three-months' introductory period, a special deal to wholesalers to encourage their salesmen to solicit original orders for La Choy products.

November and December, 1932—Sales of La Choy food products in Chicago far exceed their total 1931

volume. Achieve 85 per cent distribution in Class "A" independent stores, 60 per cent in Class "B" independent stores, 100 per cent in 110 stores of Chicago's largest chain, and a large percentage in other voluntary and regular chains.

January and February, 1933—Sales of La Choy food products in all territories, after introduction of newly packaged line, increase tremendously over the same period of the previous year.

According to French Jenkins, sales manager of La Choy Food Products, Inc., the restyling of the La Choy line, which resulted from the study of competition in the Chicago market, was chiefly responsible for their recent increases in business. It stimulated the activity of the company's salesmen, as well as the interest of wholesale and retail outlets. Never before have La Choy products received such prominent display in windows, counters and shelves.

A little more than ten years ago, La Choy pioneered in the packaging of imported ingredients for the making of chop suey, chow mein and other

Chinese dishes in the home. By virtue of being pioneers, La Choy packages became staple items on the shelves of leading independent and chain groceries, department stores and markets throughout the country. But there was little, if anything, in the appearance of La Choy packages to distinguish them from other canned products on the grocers' shelves, nothing to protect them from the unscrupulous imitator; no powerful "brand personality" which could be associated exclusively with the La Choy family of related products. The labels served to identify the La Choy line, but they failed to impinge so forcibly on the potential purchaser's consciousness as to arouse desire and impel action.

Alive to the importance of the package itself as a selling aid, Mr. French Jenkins, in collaboration with the Calvert Lithographing Company, set about devising a package which would employ color in such a way as to be attention-compelling, design which would reflect quality, the combination to be strikingly original. The packages must in themselves induce

dealers to display and energetically merchandise La Choy products. They must be such as to stand out boldly against any type of background and in sharp contrast to all other, and particularly competitive, products. They must be smart and simple in style, a present-day trend which appeals to women. They must be so definitely distinctive that they could be registered and copyrighted to protect La Choy from possible piracy. The design must be such that it would subconsciously be associated with the Chinese origin of La Choy products, but would at the same time convincingly indicate that the finished products were prepared according to the most rigid American standards. It must provide a place for an adequate description of the contents of each package and for the simplest possible instructions for the use of each item of the La Choy line.

And, finally, it must be a design which on labels, packages or containers, cartons and shipping cases, recipe booklets, stationery and advertising, would produce the ensemble now recognized as of primary importance in the marketing of any product.

With those guide posts established, Mr. Jenkins and others in the company, as well as at the lithographing establishment, spent many weeks in experiments with designs and colors. Time and again they sacrificed personal preferences, taste or pride because they were determined that La Choy labels must sell merchandise rather than merely express the personal pride of their sponsor. A momentous break with the past was that which eliminated from the La Choy logotype the embellishments which had contributed little but confusion to the appearance of the La Choy label.

They had no trouble in drawing a lot of "pretty" labels—but to develop one that was attractive and would do the entire job they wanted done, within the scope of automatic production equipment, was another matter. They had to lend themselves to production of from forty to eighty a minute.

The company now feels that it was very definitely worth the time and effort spent on it. They are satisfied that the present label does establish the La Choy personality. The brand and variety names appear on a panel or poster on the front of the label. Below the panel on what appears to be a sticker is a brief statement of the uses to which the contents of the package may be put. On the back of the label another panel contains the description of the contents and detailed recipes for their use.

One item in the line received especial attention. That was the La Choy soy sauce bottle. The company was aware that the traditional type of condiment bottle is an object which most users curse and fret over. You usually get too little, or too much, of the sauce, which runs down the sides of the bottle and ruins the table linen. So they devised a new tapered La Choy bottle with a shaker or sprinkler top, an integral part of the bottle, which makes it possible to pour only the amount desired. The edge of the top is beveled at an angle which practically eliminates dripping of the contents after the bottle has been tilted. If there is a slip—and a few drops drip—the sunburst design in the body of the bottle retards their flow. The

bottle is "bottom-heavy" so that it won't upset. A closure of black plastic adds to the smartness of the container, designed so that the housewife will be glad to place it on her table.

"We are delighted with the new labels and packages of La Choy products," wrote the president of one of the largest retail grocery organizations in the country—an excerpt from only one of many unsolicited comments from men who in large measure control the destiny of the merchandise in their stores.

¶ The condiment sauce bottle in the foreground center is a far cry from the traditional type of bottle which pours too little or too much. This one has a sprinkler top (an integral part of the glass bottle), reduces tipping to a minimum by its broad base, and has a sunburst design pressed into the glass which serves to stop stray drops and as decoration.



ANA Seeks Sales-Advertising Ratio of 2,000 Firms in Budget Study

Two thousand national manufacturers in all industries, covering both consumer and industrial products, are being asked by the Association of National Advertisers, New York, to supply data on the ratio of their advertising budget to their total net sales, the basis for determining their current budget, the period for which it is effective, its size as compared with last year, its breakdown into types of media, and whether there is an increase or decrease in export advertising. Findings in the study are expected to be released in the next two months.

The question concerning the budget

is in three parts: Expenditures in each medium, with 1933 budget comparisons with 1932 expenditures; production costs for space advertising; advertising administrative expenses, including all items of overhead, salaries, rent, etc., and other advertising costs.

In outlining the survey, Paul B. West, managing director of the ANA, pointed out that "there has been a great deal of money wasted in the past through haphazard methods in advertising, and failure to recognize advertising as an integral part of selling."

The special committee in charge is headed by Cliff Knoble, of Chrysler.



Blank-Stoller Photo

Matthew Woll



Bachrach Photo.

William A.
Hollingsworth

Three against A & P:
It begins with a combination for profitable selling, but President Hartford of the world's largest chain hears talk of "dissolution," too.



C. H. Janssen



Photo by Berenice Abbott for Fortune

John A. Hartford

A.F.L. Joins Retailers to Combat Cigarette Price-Cutting by Chains

THE "complete cooperation" of the American Federation of Labor in efforts of the Independent Retail Tobacconists' Association to induce the chains to cut out loss-leader selling of Lucky Strike, Camel, Chesterfield and Old Gold cigarettes was promised by Matthew Woll, vice-president of the A F of L, at a "mobilization meeting" at the Alamac Hotel, New York, April 4.

The fight, it is said, will be directed primarily at the A & P and A. Schulte stores. The retail price sought in the New York area is 12 cents a package.

Since the establishment of a manufacturers' price of \$5.50 a thousand on these brands February 12, A & P and Schulte, among others, have been selling them at 10 cents a pack. The third of the leading cigarette retailers, United Cigars, has been selling them at 11 cents and is believed to have expressed willingness to cooperate with the chains on the 12-cent level.

The retailers' efforts are part of a program of the new Tobacco Conference, embracing retailers, salesmen and tobacco growers, which would function as a super-organization to combat alleged joint efforts of manufacturers and chains.

Though speakers explained that IRTA "cannot tie up directly with the A F of L," it was recommended that the IRTA "employ an organizer" to build up its membership.

This "organizer," SALES MANAGEMENT learns, would be Mr. Woll.

The 150 members present represented 400 retailers in the organization. In return for dues of \$1 a member a week, it is said that Mr. Woll promised to double the membership in the next few months. New members would pay these dues on admission. The original 400 would start paying dues on this basis, when the membership had reached 800.

The precise ways in which the A F of L would function to make the relationship effective were not announced. But, as the *Tobacco Leaf* pointed out editorially April 15: "This holding organization of labor unions unquestionably has certain ways and means of exerting pressure at strategic points and of achieving desired results without limitations."

SALES MANAGEMENT is informed that the truckmen of the companies hired to deliver merchandise to stores of A & P and Schulte are members of the A F of L. It has been suggested that a "sympathetic strike" of these men might be called.

The "big four" cigarette brands constitute less than 5 per cent of the total volume of the A & P stores, but from 60 to 75 per cent of that of the independent tobacconists. Some of the independents sell 200 packs of these brands a day, and the addition of 1 or 2 cents to the retail price means, for them, the difference between bankruptcy and prosperity.

The moving spirit in the movement is William A. Hollingsworth, retailer, with headquarters in the Woolworth

Building, New York.

Introducing Mr. Woll, Mr. Hollingsworth said that the "selfishness and greed of a few men—so few that I could almost number them on the fingers of my hands—have ruined our business by promoting price-cutting. . . . If they continue this mad price-cutting they themselves will be wrecked. . . . Many of the hundreds of thousands of little merchants live with their businesses in order that they may toil at it and have the labor of their whole family for eighteen hours a day. You will find them living at the back of their shops. If they are dispossessed from their business, they are evicted from their homes. . . . We can only stamp it out by solid, organized effort."

"In your industry," said Mr. Woll, "it is essential that you achieve cooperation among yourselves and in that way control the situation. Labor is willing to cooperate with you. . . . American labor is in sympathy with your movement and we look forward to the success of your efforts."

Louis Lieberman, president of the IRTA, explained that if the retailers opened "this matter to legislation," it would "take 10 or 20 years." He added that the cooperation of manufacturers and jobbers could not be expected. It would be difficult even to "get all the retailers under one roof. But "there is an organization which knows how to discipline you when you need it," he continued. "You know that all we receive for our services is wages.

This organization has been settling wages. . . . They command and therefore they are in our command. . . . Men in high governmental circles understand this movement and are willing to cooperate with it.

"Through elimination we can find out what houses are willing to give us a fair profit, the manufacturer his share, the grower of leaf tobacco his share. We cannot do it ourselves and we must have outside assistance."

The plan involves the launching of a "National Fair Profit Campaign," with the slogans, "Live and Let Live" and "Profits Increase Wages and Make Jobs." Originated by Harry Prochaska of Harry Prochaska, Inc., it is being "dedicated" to Mr. Hollingsworth for his efforts along this line. Stamps, labels, window strips, posters and other material may be ordered from Mr. Prochaska, 331 Fourth Avenue, New York.

Meanwhile, the National Association of Retail Grocers, St. Paul, is petitioning members of Congress to effect the dissolution of A & P.

The telegrams, signed by C. H. Janssen, secretary-manager of the association, said that "we believe the general policy (of the Great Atlantic & Pacific Tea Company) to be directed to unduly undermine, lessen and prevent competition in buying and selling and in fact to create monopoly." Mr. Janssen added that his association believes A & P to be "destructive of economic distribution and all competition, operates to depress basic commodity prices, and invites large-scale practice of unethical, unfair and dishonest merchandising. Present situation in cigarette distribution is a case in point, independent wholesalers and retailers being forced into loss-leader selling. We believe the Great Atlantic & Pacific Tea Company and certain cigarette manufacturers in conspiracy to destroy competition."

Elaborating on this "conspiracy" in the NARG *Bulletin*, Mr. Janssen pointed out that when George Washington Hill of American Tobacco Company and "others at the same time enabled A & P to scoop the entire country with counter signs and advertisements offering the leading brands of cigarettes at practically what the independent wholesaler had to pay for them, he engineered the presentation of the finest example of ruthless and destructive power of manufacturer-chain combination possible of production. Liggett & Myers' Chesterfield brand, Reynolds' Camel and Lorillard's Old Gold, Mr. Janssen added, "were all quoted exclusively by A & P at the new low price, and must have been party to the alliance."

Are Contests News? General Baking Gets Seven Papers to Run Publicity

Is a contest on behalf of an advertised product news? If so, when? And why?

Still flushed with its success in getting 2,500,000 entries, a world's record, in its nation-wide vitamin D contest for Bond bread last year, General Baking Company, New York, undertook this spring to beautify New England's teeth, and on consideration of awards totaling \$4,200, to induce New Englanders to tell how the vitamin D in Bond bread helps to bring this condition about.

In addition to the grand prize of \$1,000, there were to be first, second and third prizes of \$250, \$100 and \$50, respectively, for each of eight New England markets. The judges were to be city officials, educators, physicians, dental authorities and domestic scientists in each locality. The prizes were to be given for the best letters of 100 words or less, entitled "Feed Your Teeth with Beauty."

Then John Anderson, of Batten, Barton, Durstine & Osborn advertising agency, who handled the contest, went to a leading newspaper in each of these markets with an 18,000-line advertising contract and a request that the newspaper support the contest with "as much publicity as they would." The newspaper which received the highest number of entries a thousand circulation, Mr. Anderson added, would receive an additional advertising contract of 1,500 lines. The letters were to be sent to the newspapers in each town. It was to be pretty much a newspaper affair. In view of the fact the majority of advertisers' contests lately have been chiefly on the radio, General Baking thought the newspapers would welcome this opportunity to demonstrate their pulling power.

The eight newspapers which Mr. Anderson approached were the Boston *Herald-Traveler*, Worcester *Telegram-Gazette*, Springfield *Newspapers*, Bridgeport *Post*, Hartford *Times*, New Haven *Register*, Waterbury *Republican & American*, and Providence *Bulletin*. Seven of them agreed to cooperate editorially. The Providence *Bulletin* declined. (This may appear unusual because in a comparative test in Providence it had been found that the cost a thousand circulation of broadsides distributed from house-to-house and backed by spot radio announcements was 20 per cent more than that of newspapers.)

Though Mr. Anderson would not

reveal the amount of publicity received in the seven newspapers, apparently, from a book of clippings he showed this magazine, it was more than 18,000 lines for each. And when Janet Davis of Bridgeport won the grand prize, it became front-page news in the Bridgeport *Post*.

Perhaps it was news. If so, the localization of the contest, the amount of the prizes, and the prominence and impartiality of the judges had something to do with it. But the amount of "play" given to it may have been due to the newspapers' desire to demonstrate their pulling power.

Mr. Anderson would not divulge the number of entries, but it ran well into five figures; and this he thought to be a pretty good showing. Again eschewing exact information, he said that the contest had resulted in a "satisfactory sales increase in these cities and surrounding territory." However, he did speak in detail about the care with which the balloting was done: how photostatic copies of the entries of the winning local contestants (their names and addresses deleted to avoid sectional prejudice) were sent by registered mail to all the 28 judges; how each judge ranked each of the entries; how a composite ballot was then prepared, with 5 points for each first choice, 3 for each second, 1 for each third; how these were added to total the winner: how the composite ballot was notarized, and photostat copies sent back again to each judge. The judges, he said, were not compensated. They were glad to function gratis in the interests of bigger and better New England teeth.

"There is a possibility," said Mr. Anderson, "that General Baking may extend the plan nationally in the fall."

Railroads Introduce Exposition "Deals"

A low-rate plan which enables prospective visitors to Chicago's Century of Progress Exposition to purchase in advance hotel accommodations in Chicago, transfer from station to hotel and back, tickets of admission to the exposition, and a sightseeing tour of Chicago has been introduced by the Trunk Line Association.

The "visits" to the exposition will be sold at every railroad station in the country.

Advertisers to Strut Their Stuff to 40,000,000 at Chicago Fair

A major advertising medium this year will be A Century of Progress Exposition, which opens for a five months' showing before an anticipated attendance of 40,000,000, at Chicago, June 1. The aggregate investment in building and displays, it is estimated, will be about \$30,000,000, a substantial part of which is being made by national advertisers.



High Temperature: C. A. Donnel, Chicago weather man, inspects a model of the 21-story Havoline oil thermometer, which will tell the exposition crowds of the temperature.

General Motors, spending \$1,000,000 for building and displays, will be the outstanding individual exhibitor. In addition to showing the entire range of its products, GMC will operate an assembly line, turning out 60 cars a day for spot delivery.

Chrysler, with a \$200,000 building, showrooms and a quarter-mile track which will include a "Belgian roll" for demonstration purposes, will present scientific testing methods. Sound films will depict methods of motor car building.

Firestone, in a \$150,000 building, is to have an action exhibit of the steps in making rubber products, from the tree to user.

Sears, Roebuck has erected a windowless building topped by a 150-foot tower, where the story of merchandising will be told. A feature is the

largest relief map of the United States ever built.

Sinclair Refining Company will display an imaginative collection of prehistoric monsters built around its theme of "Aged in the Earth."

Owens-Illinois is building a real glass house, 100 feet long and surmounted by a jewel-like tower of colored glass, in which will be housed an exhibit of its glass containers and industrial products.

Indian Refining Company, recognizing that the weather is always a live topic, is completing a 200-foot thermometer. Visible from three sides, a flaming tube of neon gas will reveal the exact temperature. It will be automatically controlled from a master thermometer.

American Radiator & Standard Sanitary Corporation plans a complete building devoted to heating, bathroom equipment and plumbing.

The Johns-Manville building will tell of insulation, fireproof construction and other scientific developments in construction, loss prevention, etc.

Coca-Cola will install a manufacturing and bottling plant. Coca-Cola will be bottled, iced and sold.

Among the other national advertisers to have special exhibits are:

Quaker Oats: Operating exhibit showing manufacture of cereal;

National Biscuit: Model factory with equipment for packing food products;

Morton Salt: Moving exhibit supplemented with dioramas and murals showing the mining, refining and purifying of salt;

National Sugar Refining: The story of sugar, illustrated, from the cane to the consumer;

Ball Brothers: Exhibit of home-packed foods from every state;

Libby, McNeill & Libby: Dioramas illustrating salmon canning in Alaska, pineapple packing in Hawaii, olive gathering in Spain and other food processes;

H. J. Heinz: A giant kitchen in operation showing the scientific processes in preparing "57 Varieties";

Standard Brands will feature the "biology of yeast" and other factors in food preparation;

General Foods will demonstrate "quick freezing" and other processes;

Walter Baker is to tell the story of America's first chocolate mill;

McCormick: The world-wide story of spices;

Kraft-Phenix will produce mayonnaise, etc., in a model plant;

Atlas Brewing: The restoration of a lost art;

Singer: The growth and development of the home sewing machine;

Eastman: The development of amateur photography;

Masonite: Pressed woods for building, decoration, tiling, etc.;

Kendall (Bauer & Black): The story of health protection;

Phoenix: The romance of hosiery;

Squibb: Display illustrating the protection of the public in the manufacture of drugs;

Hoover: Cleaning devices;

General Electric: The growth and development of electric appliances for the home.

Many nationally known companies whose products have been widely advertised will participate in "group exhibits." Among these are:

General Exhibits: Addressograph-Multi-graph, Bristol-Myers, Brunswick-Balke-Collender, Burroughs Adding Machine, Elgin National Watch, Gulf Refining, Link Belt, National Cash Register, Pure Oil, Wahl, L. E. Waterman, Yardley, Iodent, Petrolager Laboratories, Simoniz.

House Equipment: Altorfer, American Stove, Conover, Edison General Electric, Copeland, Frigidaire, Kelvinator, Norge, Servel, Timkin, Westinghouse, Crane.

Home Planning: Fuller Brush, Holland Furnace, Iron Fireman, S. G. Johnson.

Among the other "famous names" found to be participating in various ways are:

Alemite, Borg-Warner, Cord, Otis Elevator, Standard Oil (Indiana), Studebaker, The Texas Company, Waukesha Motor, Wayne Pump, Bakelite, Grigsby-Grunow and Du Pont.

Among the nationally advertised railroads:

Chesapeake & Ohio, C., B. & Q., Great Northern, Northern Pacific, Chicago, Milwaukee & Pacific, North Western lines, Pennsylvania, New York Central, Illinois Central, Delaware & Hudson and the Pullman Company.

Scores of other names, scarcely less known, will be found among the exhibitors when the fair opens, indicating that this will be the greatest collection of displays painting the picture of American and world development ever gathered together.

The Dairy Exhibit, for example, will cost \$3,000,000, and participating in this will be many notable names and products which, prior to the opening of the fair, will receive little publicity from this source. Some of those named above, however, will be assigned to the dairy section.

Three hundred and forty-four conventions, many of them gatherings of business and sales groups, have been scheduled for Chicago during this period.

WJR SELLS ...

EVEN WHEN BANKS WERE CLOSED

By LEWIS ALLEN WEISS
ASSISTANT GEN. MANAGER WJR, DETROIT

DID THE MICHIGAN banking holiday put a damper on merchandise business in Detroit? Certainly not for one leading department store that resorted to radio to express its confidence in the community and to advertise special sales in non-essential articles. Intrigued by the enthusiastic accounts of bargains given nightly by Billy Repaid, crowds flocked to the store and fairly swamped sales folk with demands for rowing machines, silverware and silks. And 92 per cent of the sales were for cash! If a department store can set records by using radio during a banking holiday, what may other department stores do during normal periods?

"WHAT'S happening in Detroit?" —the country wanted to know as the Motor City passed into the fifth week of its banking holiday.

Well, there was no dancing in the streets nor pelting with flowers, exactly. But people were spending money in increasingly gratifying amounts, for commodities advertised over WJR, with a timely, interesting appeal.

"I'll find the item; you dramatize it," this was the rule laid down by Miss Mary Murphy, advertising manager of Kern's Department Store in Detroit, which sold an amazing quantity of goods for cash during the few weeks when the common assumption was that there was no money in circulation. These outstanding sales were made on luxury items—a carload and a half of rowing machines, a tremendous quantity of Rogers Silverware, thousands of yards of silk and similar non-necessities.

Sales for Cash

AND 92 per cent of the sales were for cash! This was not a sacrifice sale; it was all new merchandise, advantageously purchased and sold at a profit. The facts behind this story represent one of the best briefs that radio has yet presented.

On the day the banking holiday was declared, Kern's, one of the largest department stores in the state, led off with this message of assurance to WJR listeners: "The Ernst Kern Company regards this a fitting time at which to express its abiding confidence in the community that it serves, and in the financial institutions that serve it. Present conditions warrant that we all maintain a steady hand at the helm, and Kern's proposes to remain at the post, as it has for fifty years, serving the merchandising needs of Detroit. Kern's invites you to buy as you had intended to in the next 10 days; your integrity was respected at Kern's yesterday, and so it will be in all the tomorrows that are to follow."

Right on the heels of this announcement, while timid merchants talked of closing their doors, came the series of radio dramatized selling events that proved Detroit's willingness and ability to buy.

Unusual Appeal Sought

"WE'LL FIND the items," Kern's promised. "We can't afford to advertise anything that isn't vital in its quality, in its public appeal, in its acceptance; we're doing nothing for the sake of presentation

alone; we've got to have at least one punchy dramatized event for the day, that will really sell—that will carry the store; and that, if anything, will save the day."

Here, if ever, manner of presentation was all-important; ears were strained to the radio for news. To match the tempo of the day, to plant an idea in minds crowded and puzzled with the fast-moving events of banking holiday and inauguration, the appeal must have a personality behind it—be dynamic, spontaneous; optimistic, yet not flowery. No ordinary device under the guise of fashion or good will could hope to do the job.

Announcer's Personality

WJR'S News Reporter, Billy Repaid, was selected to present Kern's "Shopping News of the Air." His is no rambling account of bargains noted here and there, in the hope that one of them might strike your fancy. In his own characteristic style he describes the two or three carefully selected items, with a vitality and enthusiasm that cannot be simulated—a reflection of his own intense interest and appreciation that transmits itself to a listener, and causes him to decide, "That's something I've always wanted; if I never do anything else in my life, I've got to get downtown and buy it."

This five-minute shopping feature is broadcast nightly, except Saturday. Because the spending of money is now a matter that requires family discussion and an OK from the head of the house, it occurs around 8 o'clock. Dinner over, the paper read, it is the most favorable time for selling approach. Men, accustomed to hearing Billy Repaid's crisp concise comments on the day's news, like to listen. He uses no oratory, no soft voiced poetic style in announcing. In his straightforward, humorous manner he can make Kern's special bargains in lingerie, thumbtacks or washing machines become an imperative reason for a trip downtown.

Sells Silverware

ON THE DAY after the first broadcast, Kern's sold 410 rowing machines, at \$1 each. The second night, Billy Repaid suggested that listeners telephone orders in, and that 10 cents extra would be charged for delivery. Telephone orders were received for 300 more machines.

Three Detroit stores offered 1847 Rogers Brothers Silverware at half price. Kern's advertising by radio, sold over \$1,000 worth the first day, \$600 worth the

second day, \$400 the third. And this in the second week of Detroit's bank holiday! The other stores did a business on this item hardly worth mentioning.

Perhaps the greatest of Kern's adventures in selling to a depression market was its silk sale. Twenty-thousand yards of glistening silk—offered at 59 cents a yard. A fair price, undoubtedly. The same quality once sold for \$1.59 a yard. But silk epitomizes luxury. It isn't a necessity like tonight's dinner. Billy Repaid put the story on the air, with all his enthusiasm. Would it sell? WJR executives, apprehensive, stopped in Kern's on their way to work—to find the silk department submerged by housewives. More than 6,000 yards were sold the first day; 1,700 women attended the sale, their purchases averaging silk for three dresses. And this day was highest in sales of any single day in Kern's silk department for over six years!

Spontaneity is Key

IT'S spontaneity that puts it over, plus of course the careful judgment and timeliness used in selection of the item.

The intelligent use of radio may be the salvation of department stores in the present emergency. And the retailer who can't get returns from radio is making a mistake, somewhere. Either the copy lacks punch, what he has to sell isn't interesting, or the time is not right. Retailers have no right to blame radio as a medium. What they need, is to discover a dignified common sense human manner of appeal over the air; to find out what the people want, and promote it until they stop wanting it.

This was a golden opportunity for radio to prove itself. What we could put over in critical times will go over doubly when times are good. And when listeners flock to buy rowing machines, silks and silverware during a banking holiday, then radio seems to be doing its job.



Send for this book on the Fourth Market

WJR THE GOODWILL STATION
FISHER BUILDING, DETROIT

G. A. RICHARDS, President

LEO J. FITZPATRICK, Gen. Manager

Oil Companies Roar More Loudly the Call of the Open Road

Back in their roles of Pan, Messrs. Rockefeller, Morgan, Mellon, Sinclair and Deterding are piping again of the joys of the open road, with their very special kinds of gasoline. Some of their companies, in fact, are piping more loudly and variously than ever before.

It may not be too bad a pun, for example, to say that as a result of the "biggest advertising drive ever launched," quite a number of young men are likely to turn this spring to thoughts of Ethyl. Newspapers, magazines and posters are being used by Ethyl Gasoline Corporation, New York, (owned jointly by General Motors Corporation and Standard Oil Company of New Jersey), to fuel the 18,000,000 cars that are now more than two years old. The newspaper campaign is in cooperation with Ethyl's 104 refining licensees, the outdoor will appear in 161 cities.

Standard of New Jersey, largest of the Rockefeller companies, is intensifying the effectiveness of its advertising program through the consolidation of its domestic marketing activities. C. G. Sheffield has been made manager of retail sales, John E. Skehan of wholesale sales, and E. A. Holbein of tank car sales, for the seventeen states covered by the New Jersey company and its subsidiaries, the Standard Oil Companies of Pennsylvania and Louisiana and the Colonial Beacon Oil Company. Filling stations of all these companies are being repainted to emphasize Jersey's Esso name.

"Standard Oil Company of Ohio is maintaining its aggressive selling and advertising policies," an official of the company reports to this magazine. "We believe that consistent and adequate advertising still continues to be the most effective weapon for sales increases." Newspapers, local magazines, radio and poster space is being taken on a scale "only slightly less extensive than in past years. . . . Just prior to and during the Bank Holiday we manufactured a jig-saw puzzle featuring our radio act and promoted entirely by the act itself. This move brought into our service stations and the stations of our agents and dealers 250,000 persons in a few days. We immediately ordered 500,000 of a second jig-saw puzzle."

An advertising campaign that would be "big in boom time" but that is "gigantic now" has been launched by Standard Oil Company of Indiana. A total of 1,606 newspapers in 1,468

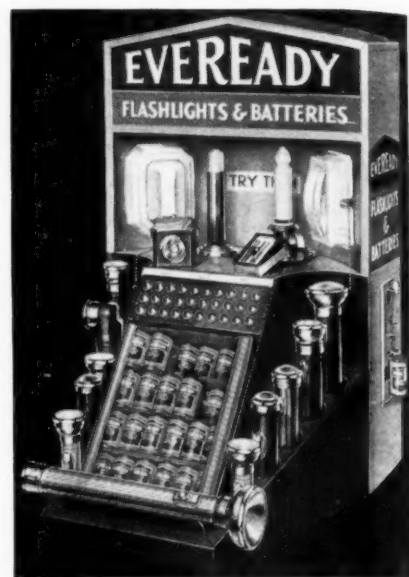
cities and towns forms the primary medium, with direct mail, road maps and folders, magazines and A Century of Progress exhibit also being used. The campaign promotes Standard of Indiana service men as the company's "ambassadors of good will."

Announcing its intention to spend \$2,000,000 in advertising in 25 middle western states this spring and summer, Shell Petroleum Corporation, St. Louis, boasts of the "largest campaign ever undertaken by any oil company." The program, in newspapers, outdoor, radio, direct mail, etc., will cost three times as much as that in 1932. "Exactly the same verbiage," explains Paul B. Ryan, manager of Shell's sales promotion-advertising department, "will be employed in every form of advertising used." Impressive figures are given by Mr. Ryan to show the extent to which various industries (in addition to newspapers) are being benefited. The program will require 637,000 yards of cloth, 160,000 pounds of paper, 30,000 pounds of ink, 4,200,000 feet of wire, 980,000 feet of rope and 18,000 feet of lumber, for outdoor poster and station banner displays. The company will distribute 5,000,000 road maps.

Adding 1,000 dealers in the current drive for its new Bronze gasoline, Continental Oil Company, sponsored by J. P. Morgan & Company, is moving its sales and advertising headquarters from Ponca City, Oklahoma, to New York, the better to compete in the East and Middle West.

Meanwhile, the Mellons' Gulf Refining Company is making, among other efforts, its maiden appearance on the air, with a twice-a-week CBS program featuring Irvin S. Cobb, humorist, and the Sinclair's Consolidated Oil Corporation is expected to become extraordinarily busy.

And America's original oil field, under the direction of the reorganized Pennsylvania Grade Crude Oil Association, Oil City, has inaugurated a magazine and trade paper campaign on the theme, "Better Oils from the Ground Up," which also promotes the "Guaranteed 100 Per Cent Pure" Pennsylvania emblem. T. O. Grissell, former research director of Batten, Barton, Durstine & Osborn advertising agency, has become executive secretary of the association. Mr. Grissell points out that Pennsylvania motor oils were 14 per cent of the United States total in 1929, and 31½ per cent in 1932.



Eveready Offers Two-Foot Flashlight "Department"

The entire Eveready line of "portable light"—flashlights, Wallites, candle lights, pocket lights, miniature lanterns and flashlight batteries and lamps—is presented by National Carbon Company, New York, in a new merchandiser, which occupies only two square feet of counter space.

Developed over a year of testing, attention- and sales-value of the merchandiser has already been shown in a number of tests in dealers' stores. On the side is a battery and bulb tester. The back is open, providing storage space for extra cases, batteries and lamps.

Dwight Cook, former Detroit sales representative of *Power, American Machinist and Product Engineering*, McGraw-Hill publications, has become sales manager of Toledo Synthetic Products Company, Toledo.

14,000-Mile Phone Call Sells 138 Motor Cars

A few mornings ago J. Howard Teagan, export manager of Continental Automobile Company, Detroit, answering his phone, was greeted by T. J. Morris of Kemsley & Company, Melbourne. During the next three minutes (which cost \$50) Continental obtained four distributors in Australia and sold 138 chassis.

Less than a half-hour was required to put the call through. Almost 2,000 miles of it was by land wire and almost 13,000 by radiophone. Mr. Teagan said the transmission was as good as on a local conversation.

Media and Agencies

Agency's Wares

In the belief that an advertising agency should not only tell about products but personally help to sell them, Procter & Collier Company held an exhibit in its building in Cincinnati recently of the wares of its 64 advertisers.

"While no attempt was made to sell merchandise," explains L. P. Orr of that agency, "we made every effort to explain the merchandise fully to those interested. A very great number" of the 5,137 who attended during the four days of the showing "expressed an intention to purchase some of the merchandise on display."

The products ranged from 42 famous quilts of Stearns & Foster Company, to be shown at the Chicago exposition, to Wagner's beverages and Crosley radios and refrigerators. Newspapers, radio stations, luncheon clubs and merchants helped to promote the exhibit.

Cotton Insert

As you will soon know now (if you haven't already heard), National Cotton Week will be held, under the stimulating auspices of the Cotton-Textile Institute and Ivy Ledbetter Lee, May 15-20. Cotton being in many respects our most important commodity, the degree of stimulation achieved will be a matter of some interest. The cotton-textile industry employs 17 per cent of the nation's workers, pays them 13 per cent of the wages, supports 27 per cent of the farm population. Cotton goods retail sales total \$6,000,000,000, and our annual cotton crop covers an area as large as France, Spain, Germany and Italy combined.

To help increase these statistics, the *Merchandise Manager* ran a 20-page cotton insert in April. It was about cotton and of cotton, editorial material and advertising. Cuts reproduced well, and type was almost as legible as on coated paper stock.

Eastward Ho!

Tracy-Locke-Dawson, these twenty years kicking up sales excitement for clients down Texas way, has grown with some of them nationally and is opening an office soon in New York. Shelley E. Tracy, president, and Joe M. Dawson, vice-president and manager, will be among those operating from New York; Raymond P. Locke, vice-president and treasurer; C. B. Wakeley, secretary, will remain in Dallas. V. M. Wallace, vice-president, is moving from Houston to Dallas, and J. W. Moffett will have charge at Houston.

During the several years Tracy-Locke-Dawson has handled its account, Continental Oil Company has extended distribution to 41 states. A current campaign promoting a new gasoline and seeking a name for it brought more than 1,000,000 replies from 558,000 individuals in every state and eleven foreign countries. Conoco's sales this year are well ahead of those in the corresponding months of 1932. Its appropriation has run as high as \$1,500,000 a year.

T-L-D serves 30 accounts.

Modern Didn't Merge

H. B. Clemenko, promotion manager of Modern Magazines, asks us to correct a statement on this page of April 1 that they have acquired the Futura Publications. What Modern did, says he, was to acquire most of the outlets of Futura. "Futura, folding up, left these stores without magazines and we filled the breach. We had no dealings whatever with the Futura people." Modern, incidentally, is now also distributing through the Grand-Silver-Metropolitan Stores.

Beerevities

Undaunted by announcements that the 16 Gannett newspapers would not carry advertisements of it, and that the Loft stores would not sell it, beer (as you may have noticed) has started in rapidly to become one of the new industries that America needs.



Frank E. Gannett

Frank E. Gannett, ardent dry, has, in fact, just modified his decision. The heads of the individual Gannett papers, in New York, New Jersey and Connecticut, may set up their own policies with regard to beer advertising.

"When a person finds he has made a mistake," says he, "it is best to admit it frankly and correct it. . . . Surely, a store's advertising cannot be refused just because that store may include beer in its announcements."

Mr. Gannett was to have been publisher of a national dry daily newspaper, projected last year. Stanley High, former editorial executive of the *Christian Herald*, would have been editor. It had been planned to use the plant of the former New York *World*. The project was still-born.

Most of the agencies whose job it is to popularize beer have been chosen. Among them:

Atlas Brewing Company, to McJunkin, Chicago; Berghoff Brewing, Fort Wayne, to Lampion, Fox, South Bend; California Brewing Association, to Emil Brisacher & Staff, San Francisco; Falstaff, to H. W. Kastor & Sons, St. Louis; Fidelio Brewery, New York, to E. T. Howard; Jackson Brewing Company, to Fitzgerald, New Orleans; Jax Brewing, to Associated Advertising Agency, Jacksonville (Jax is the only brewery in Florida); Kings Brewing, Brooklyn, account placed direct, with W. S. Lockwood, advertising manager; Liebmenn Breweries, Brooklyn, to Albert Frank-Guenther Law, New York; Lion Brewery of New York City, to Lennen & Mitchell; Premier-Pabst Sales Company, to Matteson-Fogarty-Jordan, Chicago; Schoenhofen Company, to Thomas M. Bowers, Chicago; John F. Trommer, Brooklyn, placed direct, Ed. J. Walsh, advertising manager; Union City Brewing, Union City, New Jersey, to Twin States Advertising Agency, New York; United States Brewing,

Chicago, to Reincke-Ellis-Younggreen & Finn, Chicago; United Refrigeration & Terminal Company (Pilsner), to Topping & Lloyd, New York; Walsheim Brauerei A. G., Walsheim, Bavaria, to World Wide Advertising Corporation, New York.

And *Modern Brewery*, New York, has added another 50 pages of advertising in its next issue.

Ford, Gillette, Colgate

Not all the accounts in transit, of course, are breweries. The most interesting of the current crop, perhaps, is the report that Ford Motor Company has transferred from Ayer to Glen Buck Company, Chicago. Norval Hawkins, new vice-president of the Buck company, was Ford sales manager for many years. Gillette Safety Razor Company (Gillette, AutoStrop and Probak razors and blades) goes to Ruthrauff & Ryan, May 1; and two products of Colgate-Palmolive-Peet Company—Colgate's ribbon dental and rapid-shave creams—to Young & Rubicam. The other CPP products remain with Lord & Thomas. . . . Other account changes include, Stetson Shoe Company, to N. W. Ayer & Son; Delray Corporation, San Francisco, food products, to J. Walter Thompson Company; Standard Safety Razor Corporation, East Norwalk, Connecticut, to W. I. Tracy, Inc., New York.

Better Times

Among 1,386 newspapers entered, the New York *Times* won the Francis Wayland Ayer cup for "typographical superiority" in the Third Exhibition of Newspaper Typography, held by N. W. Ayer & Son in Philadelphia.

First honorable mention among newspapers up to 10,000 circulation went to the Chambersburg, Pennsylvania, *Public Opinion*; in the 10,000-50,000 group, to the Rockford, Illinois, *Register-Republic*, and in the over-50,000 group, to the *Times*.

All the papers, spread over 5,000 square feet, were editions of March 4. Fred W. Kennedy of the Washington Press Association, Marlen E. Pew of *Editor & Publisher*, and Fred Fuller Shedd of the Philadelphia *Bulletin*, the judges, read quite a lot about the inauguration and the bank holiday before they finished their three-days' search.

Chemachievements

The "literally hundreds of vital achievements in chemical materials, methods and machines" during the depression will be "summed up in terms of industries and unit operations" by *Chemical & Metallurgical Engineering*, New York, beginning with the May number and continuing through the Chemical Exposition issue in November. Since October, 1929, believes M. A. Williamson, publishing director, "there have been more advances in the technology of the process industries than in any comparable period."

A feature in May will be the announcement of an award for chemical engineering achievement.



SPRING FEVER

...OR SEA FEVER?



IF YOU suffer from either, take the next train for Chalfonte-Haddon Hall and Atlantic City! Get a long whiff of salt sea air. Gorge yourself with sun. Stretch your legs along the beach.

You'll find a comfortable hospitality here. (At least so our guests tell us.) And food that your sea-shore appetite will really appreciate. Friendly rooms . . . with beds conducive to deep, untroubled sleep. And all sorts of entertainment to keep you amused. Try it for a few days and you'll be fit as a fiddle! American and European Plans. Economical rates. Write for them.

CHALFONTE- HADDON HALL

ATLANTIC CITY

Leeds and Lippincott Company



Displaying Packages to Sell

(Continued from page 439)

was the collapsible "package pyramid," which perfectly simulated the appearance of a stack of products piled up as no decorator would be able to pile them, especially if he had only empty cartons to work with.

The "package pyramid" standardized the form in which the display would appear; made sure that it would appear as the manufacturer wanted it. It stood out over competing merchandise like a skyscraper. In addition to which the advertiser could deliver his own message as he wanted it delivered, and not leave it to the merchant to put his own interpretation on the hand-written card he could usually place on the pile.

Then there is the open display or self-service idea, which is based on the chain store merchandising principle that today supplants the old saying, "Well displayed is half-sold." The chain store slogan now is, "Get the merchandise into their hands and it's more than three-quarters sold." This type of display is represented by three variations:

1. The assortment or selection display.
2. The bargain display.
3. The related item or family group display.

The Devoe brush display (See page 438) shows an *assortment* of merchandise ready for the customer's selection. It gives the prices and gives a good selling argument, and, far from being a silent salesman, it is an *eloquent* salesman.

This is one of a series of counter displays that Devoe & Reynolds and nine of the largest paint manufacturers of the United States have used, in direct contravention of the old principle that the only way you can display an assortment of brushes, if you want to display them at all, is chained or wired to a board so that nobody would be tempted to carry them away. Furthermore, manufacturers felt that they could no longer sell the dealer large assortments.

The principle behind these displays was this: In the first place, most people, when they get a brush into their hands, enjoy the sensation of stroking the bristles, as much as they enjoy stroking a pet animal. And if given this opportunity, they fall so in love with the brush they are handling that they simply will not go out of the store without it.

Furthermore, the householder who wants the brush, when he sees an assortment of brushes, bethinks himself

of the various uses to which those brushes may be put. He buys not one, but possibly two or three brushes. And the customer who buys the brush must also buy the paint to use with it. Hence the backing of this brush display by leading paint manufacturers.

Another variation of that type of display is the Red Cross First Aid products baskets (See page 438). This is the "bargain" idea, which simply adapts a department or chain store principle to other lines. People have the impression that a lot of merchandise thrown in one pile represents a bargain. Possibly it is a carry-over from the old days of merchandising in a general store, when the unfortunate grocer or general merchant disposed of his left-overs and shelf-stickers by dumping them into a barrel or into a box, and put up a label, "Your Choice, 10 cents." That principle is still very successfully used, and it has been dignified by being employed to sell such high types of merchandise as Red Cross first aid products.

The third idea, the A. & P. coffee stand (See page 438), displays an assortment of the same type of merchandise. Here are three coffees for the consumer to choose from, with the price of each noted, and a brief characterization of each particular type of coffee. One is "Mild and Mellow." Another, "Rich and Full Bodied." The third is described as "Vigorous and Winery," capped by a general selling talk on "Hot or Iced" coffee.

The Johnson & Johnson "merchandise panel" (See page 439) is another way of displaying a family of products, even where there is "no room" to get them into a window or store. This "merchandise panel" shows the complete line of the Red Cross products put out by Johnson & Johnson, each represented very realistically, plus a selling talk. This was designed to fit into the small spaces, the columns, the corners in chain and other store windows and interiors.

In the highly ingenious Hinds' Honey and Almond Cream "revolving disc" display (See page 439), the story of the product, "Smooth White Hands in Three Days," is told in three "scenes," which appear when a handle is pulled down by the customer.

This type of display owes its being to an investigation made three or four years ago by the National Cash Register Company of the causes of lost trade in retail stores. They found that no less than approximately 20

per cent was due to impatient people walking out of the store because they were not immediately waited on.

They also found, on further investigation, that the trouble was usually caused by a few fussy individuals who come in, fidget with this, fuss with that, then turn to other waiting customers and say: "I think this is terrible. You can't get waited on here. Let's go across the street—maybe we'll get some service there!" Then they all walk out and, the chances are, they never come back.

Here is your chance for the kind of cooperation that will get your merchandise on the dealer's counter when otherwise it might not get there at all. Suppose you give that fussy individual a chance to fuss with something profitable to the dealer. She occupies herself with something interesting to her—and, while doing it, she is selling herself on an article she possibly didn't think of buying. Furthermore, she is attracting the curiosity of others who may be waiting to be served.

The Drybak double-tier container (see page 439), which received the first award in the class of counter display containers at the recent packaging exhibit of the American Management Association, illustrates another important principle. An investigation, made originally by the Russia Cement Company, makers of LePage's glue, disclosed, first, that if the dealer has to fuss too much with putting this tab into that slot in opening the package, he isn't likely to fuss with it at all. So this display container was designed, first of all, so that it opens and sets up instantly.

Another thing they discovered was that as counters were becoming so crowded, it was extremely difficult to get all the space necessary for the ordinary "lay-down" type of container. The solution to this was exactly the same as the building of skyscrapers when space became valuable to cities. Instead of building flat, spreading out, they built up. Furthermore (and here is the most important principle of all), in most small package goods merchandising, it is all-important to *beat your competitor to the consumer's first glance*.

This double-tier container shows the merchandise upright, built one tier above another, like a skyscraper. It stands out above the containers that lie flat on the counter, and beats the competitor to the consumer's first glance, creating a triple reason for the dealer's putting it in:

1. Adaptation, which is a matter of convenience to him.
2. Cooperation, which is a matter of making it easy for the con-

sumer to reach the package.

3. Telling the complete story, thereby saving the dealer's time.

This type of display demonstrates why it is better, if possible, to have the merchandise stand upright on the counter and gain the advantage of height over its competitors. Therefore, if the package is oblong in form, it is far better so to design it that the copy may be read with the package standing upright, instead of running horizontally.

Another method of utilizing very little space is shown by the Griffin shoe cream hanging display (see page 439), which takes advantage of the slot machine principles. This can be tacked on any wall when there is no room on the counter, or if there is no counter at all, as, for instance, in any shoe-shining parlor. This has sold a great deal of merchandise by utilizing both a space-saving principle and the "gravity dispenser" idea of slot machines.

Some manufacturers lose business through unwarranted fear of theft. Recently I contacted a certain cosmetic manufacturer whose principal concern seemed to be to prevent people from carrying away a quarter package of his hand cream or powder.

In discussing the problem, I told him that it was far better for a few packages to be stolen than for ten times as many sales to be lost because of lack of accessibility, making it harder for the dealer to make sales.

Stores today are undermanned. There are fewer people to wait on customers. Time must be conserved. Space must be conserved. Therefore, open display, which has both these advantages and permits the customer to make his own choice, is obviously the coming method of selling small packaged merchandise.

95 Per Cent of Buyers Want National Brands

Ninety-five per cent of the buyers of domestics for stores throughout the country, polled by Pepperell Manufacturing Company, Boston, expressed preference for national as against private brands.

Including first, second and third choices, national brands were preferred by 82 per cent.

Thread counts and laundry tests were about even in choice as important selling points. Improved retail displays were given first emphasis among the store advertising methods to be stressed this year, with 42 per cent of the total votes; improved retail advertising received 35 per cent, and mailers, 23.

Here's a NEW IDEA that WILL PAY your SALESMEN'S EXPENSES

As a sales executive you are keenly and naturally interested to see that each of your salesmen earns his drawing account or salary. Under present conditions, you may have found this somewhat of a problem.

We have developed recently a plan that is worthy of your most careful consideration. It will increase the earnings of your salesmen; lower your sales cost and enable your company to earn a substantial net profit besides. And do this without much extra effort on their part.

We are one of the largest manufacturers of Work Uniform Clothing in America. For years we have supplied many of the countries' leading industrial concerns with Work Uniforms and Work Clothing. If your salesmen call on such concerns they can easily take orders for our goods with considerable profit to all concerned. And it will require no money investment whatsoever on your part.

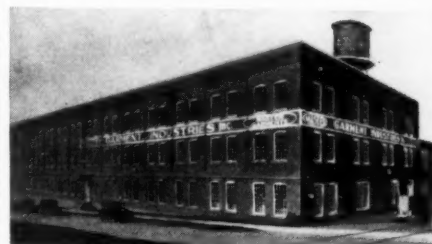
If Your Salesmen Call on Any Business Such as Listed Below, This Idea Will Surely Work Successfully for You.

Factories of All Kinds	Hotels
Auto Agencies	Garages
Dairies	Service Stations
Creameries	Moving Companies
Bakeries	Ice and Coal Companies

And Hundreds of Other Businesses Where Work Uniforms or Work Clothing Is Used.

It will pay you to write at once for full details stating the number of salesmen you have and the territory they cover.

Wirk Garment Industries, Inc.
Ligonier, Indiana



The Threat of the Super-Market

(Continued from page 436)

super-markets, as if there were hundreds of them. It is still easier to see the reason for the introduction of a resolution in the New Jersey legislature to appoint a commission to investigate the methods of super-markets. And yet market analysts and merchandising counselors have not explained why chains have been hurt worse than the individual merchants. Can it be that if the price appeal is taken away from chains nothing is left?

But the situation is not without an element of humor. Who, that can remember the sadistic smiles of the mighty chains a few years ago at the deaths of so many little grocers, would believe the wail of the chains today at the appearance of Ursa Major in the grocery firmament as if it were going to drop upon them? Who would believe that men from some of the largest chains in the country would pace the aisles of "The Big Bear" for week-ends, notebooks in hand, recording prices, products and orders, and, sitting in a car parked at the curb before the entrance, clock ingoing and outcoming customers? Who would believe the cause for the expulsion of "Big Bear" advertisements from local newspapers and the hastening to the scene of investigators from the Department of Justice? But, above all, who would believe that chains and independents would fight side by side against the common enemy? Indeed, competition makes stranger bed-fellows than politics.

But what is the manufacturer to do? To sell or not to sell, that is the question. The answer is simple enough for manufacturers who have had a direct sales policy for years, but not so simple for those who want to retain the custom of neighboring dealers. Yet how can a sales manager in these days neglect such a large outlet? A casual glance at the goods of nationally advertised brands suggests that few sales managers have been guilty of such neglect. Mr. Dawson knows of only one large manufacturer who has refused to sell, and that one, observing the eagerness of his competitor, wants to get back into the big store.

Then why all the fuss? There is nothing new in the department store idea. Size is not new, for there are grocery stores bigger than "The Big Bear." Concessions have been heard of before. Ballyhoo? Well, that is merely a matter of degree. Yet critics say "The Big Bear" is a product of

the depression and will wane with the return of prosperity. Have not women a somewhat ancient reputation as bargain hunters and were they not known to seek cheap prices for food in the best of times? Other prophets say that the novelty will wear off. Quite so! Novelty has a way of wearing off. It is of its nature to do so when the thing ceases to be novel. Such prophets are those who stood on street corners and shouted, "Get a horse," at pioneer automobilists; but they do not occupy their old beats now and count the horses that pass by—it would take too long.

They forget the old days or they do not know their history. There were super-markets in New England from colonial days on. And how about Fulton Market and Washington Market in New York in our grandmothers' days, and the others in Philadelphia, Baltimore and Washington? The prophets of doom to "The Big Bear" apparently have not heard of the cry throughout the land years ago that department stores would destroy individual initiative in American business; perhaps they have not read about bonfires of mail-order catalogues on village greens in New England; and perchance they do not remember the threat that chains would wipe the independents off the face of the earth. Yet there are more individual wholesale and retail grocers today than ever before and many of them are far better merchants than they were a few years ago.

Such observers fail to make due allowance for the evolution and adaptability of teachable grocers. Instead of their annihilation, it is far more likely that the time is not far distant when one may arise on the floor of a grocers' convention and get about as much attention by a tirade on super-markets as he could today by a harangue on chains or department stores. The outcry of chains and independents will die out and the perplexities of manufacturers will vanish, for it is probable that well-managed and properly financed super-markets will increase and multiply so that we shall have big bears and middle-sized bears and little bears, and still Goldie Locks will not be eaten up.

[Two Government organizations have begun to investigate the growling of the Big Bear and its corner on the grocery trade honey in Northern New Jersey.

The Department of Justice is looking into charges filed with them several weeks ago by R. O. Dawson, president of the Big Bear, to the effect that certain volun-

tary and chain store groups have conspired with New Jersey newspaper publishers to have his advertising excluded from their newspapers.

So far the question has hinged largely on jurisdiction, since the Federal Courts are concerned only with problems of interstate commerce—in this case the rather technical ones of preparation of Big Bear advertising copy in New York City and circulation of the newspapers in which it formerly appeared outside the state of New Jersey. However, if the Department of Justice decides the case not within its jurisdiction, New Jersey courts may still investigate the charges of conspiracy.

Meanwhile the Federal Trade Commission is considering the possible unfair competition phases of the newspaper exclusion and the merchandising methods of the Big Bear Market. Here interstate commerce is much easier to prove, since most of the goods sold by the market come from outside New Jersey, as do also a great many of its customers.—THE EDITORS.]



Arthur J. Chanter

Chanter Succeeds Erskine as Head of Pierce-Arrow

Arthur J. Chanter, since 1928 actively in charge of Pierce-Arrow Motor Car Company, Buffalo, as vice-president, and general manager, has been elected president, to succeed A. R. Erskine. Mr. Chanter has been in the automobile industry for twenty years, in manufacturing, engineering, sales and accounting capacities.

Though Studebaker Corporation of America, of which Mr. Erskine is president, owns a controlling interest in Pierce-Arrow, this company is not involved in the present receivership of the Pierce-Arrow and Rockne properties. "Pierce-Arrow," said Mr. Chanter, "is in a financially independent position." The company has doubled its proportion of the nation's fine car sales in the last five years.

Wayne Adds 100 Dealers in Three "Bad" Months—and Helps Them Sell

On March 2, when almost everyone was boasting about being "broke," John A. Berghoff, general manager of Wayne Oil Burner Corporation, Fort Wayne, Indiana, wrote to his company's representatives:

"Savings deposits for 1932 increased 4 per cent over those of 1931, and now amount to about \$1,000 for every American family.

"There are 52,000,000 bank depositors, or approximately two per family, and government action will soon release most of these funds.

"Times are tough—but not so bad as your own business may show. . . . You may have the hardest hit town in the U. S. A., but I'll wager that some new cars are being bought just the same, because some live dealer is setting the pace for you.

"Let's pick out the best five prospects in your city and send in their names, so we can help you to close at least one."

This letter is a sample of a continuous direct-mail stimulation campaign waged by Wayne to add dealers and to add customers for them. "We increased our dealer organization from 300 to 600 last year," Mr. Berghoff told this magazine, "and have since added 100 more. Our total sales up to April 4 are slightly ahead of any previous year. We have maintained our factory force of salesmen."

"Wayne conducts a perpetual consumer advertising campaign for our dealers to a picked list of prospects. We make no charge for it.

"Our salesmen assist the dealer in building up his list to 50 names per retail salesman. We make regular bi-monthly mailings, augmented by a special series during the spring and fall, when we again ask our dealers to give us not to exceed five names per salesman. Then we send out a mailing every three days to the extent of 10 mailings."

(A recent piece told why "a Wayne plus any good boiler makes the world's finest heating unit.")

"During this period," he pointed out, "we conduct a retail salesmen's training course, by mail.

"Naturally we are doing considerably more consumer advertising than the volume per dealer justifies, but we feel that this will reflect itself in orders as far as two years from now.

"We give our dealers to understand that our advertising plan is for a three-year period to any prospect group."

Premium Users to Discuss Tieups with Other Media

The relation of display advertising to premiums will be analyzed by the Manufacturers' Merchandise Advertising Association in annual convention at the Stevens Hotel, Chicago, May 15-19. An exposition of merchandise for premium use also will be held.

"The success of every premium deal is dependent on the amount of advertising it receives," explained H. W.

Dunk, of Nestle's Milk Products Company, New York, secretary of the association, in announcing the plans. "Several concerns have used as many as 500 newspapers to advertise premium offers, and some of them 15 or more magazines."

Leading national advertisers in the grocery, confectionery and toilet goods field are members of the association—among them Colgate-Palmolive-Peet, Lever Bros., Quaker Oats, Swift & Company, Worcester Salt and Wrigley.

*Bridging that
important gap between
Desire to buy and
Where to buy
your product*

PUT yourself in the place of the man on the street to whom you address your national advertising. Suppose you have sold him on the advantages of your client's product . . . he wants to buy the product. Where can he buy it . . . who sells it . . . are questions that immediately arise in his mind. An Ing-Rich Enameled Sign will show him the way. Here is the vital gap that can be bridged most effectively with everlasting Ing-Rich Enameled Signs. They "get their man" at the point of sale and they form a perfect tieup to your advertising

whether it be national or restricted. May we send you a copy of our booklet — "Fadeless Publicity"?

ING-RICH ENAMELED SIGNS

INGRAM-RICHARDSON MFG. CO.
BEAVER FALLS - PENNA.

C o m m e n t

A SHORTER WORKING WEEK: We recently received a letter from Max Schmidt of San Francisco reading, in part: "Sixty-one years ago when I individually established the present Schmidt Lithograph Company . . . a good strong man was able to make 200 impressions of small size per day of 12 hours, 7 A. M. to 7 P. M., total of 72 hours per week, for which he received a maximum of \$18 per week (\$3 per day). . . . Nowadays the same man, without any great physical effort, is turning out in 48 hours as much as it would have taken 124 men in 72 hours 60 years ago, and his pay envelope contains more than three times the amount." . . . Mr. Schmidt goes on to recite the several severe depressions which he has personally witnessed as the head of his business and explains why he believes the effective remedy for these past depressions and for the present one lies in the shortening of working hours to balance the difference in production brought about by advance in mechanization. . . . It certainly seems that business men 60 years ago would have had much more to startle and concern them if they were forced to discuss a 48-hour week as against the 72-hour week which then prevailed than we have today in considering a 30-hour week against a 48-hour week, particularly in view of the fact that in many fields we cannot long hope to step up the output per man per hour at a rate which compares with the progress that has been made in this direction in the last half decade. Technocracy may have passed on its way as a potential political party, but we are still as a nation confronted with the problem of finding some kind of employment for more than ten million unemployed. If we do not find work for them via new jobs or more equitable distribution of available jobs, then we most certainly will have to take care of them via a dole or its equivalent. Moreover, the total volume of consumption and the total volume of business are in no small way dependent upon getting these ten million to work at something. The bill for a shorter working week which has been introduced by Senator Black may not be perfect, and the problem which it involves may be beyond any immediate ability to arrive at a perfect solution, but it does appear that the longer we delay in a universal shortening of our working week, the longer we merely postpone an issue which must sooner or later be squarely faced and solved at least in reasonable degree. . . . If the present hourly rate of pay is maintained, it is true that wider distribution of work will cut down the dollars per week for those now employed; but it is also true that those *now* employed are currently compelled to compete against the proffered services of an unemployed army who are steadily reducing (through compulsion) their asking price. This situation tends to favor the employer who is willing to exploit Labor, whereas, if available work is more widely

distributed, employers will have to bid against each other, thereby starting an upward trend in wages. In any event it seems advisable to utilize public funds on a fairly large scale to add somewhat to the total volume of employment, to accomplish needed reflation and to put some of the burden of recovery on other than Labor.

WHOSE LABOR SURVIVES?: In talking with a chief executive of a large business paper organization, we recently learned that letters are being received in steadily increasing numbers advising that this or that concern is retiring actively from business because of inability to meet the competition offered by foreign merchandise—foreign merchandise which has been brought in under and over alleged tariff barriers because of the depreciated currencies which obtain in most foreign countries. Many politicians and bankers, and also many professors and business men who subscribe to the international theory of free trading, are losing sight of the fact that this theory can be quickly knocked into a cocked hat when we remove the factor of world-wide stabilization of money exchanges. Reasonable fluctuations do not greatly affect international commerce, but when (as is now true) we undertake to keep the American dollar on a \$1.80 basis when the rest of the nations of the world have followed or are following depreciation policies, it becomes evident that we can only protect American labor by adopting restrictions against imports such as have long since been adopted by France. . . . The world is a pretty tough place these days and the old law of survival of the fittest seems to have come very much to the fore. Whether we like it or not, it looks as though we would have to decide very definitely and very positively whether the American consumer is going to provide jobs for American workmen or whether the American consumer is going to supply jobs for cheaper foreign labor and thereby increase unemployment in this country. . . . The forthcoming conferences between President Roosevelt, Premier MacDonald and other foreign leaders may succeed in effecting some kind of stabilization in the money exchanges of a large part of the world. The forthcoming World Economic Conference may amplify realities in this same direction. Let us hope they do. But let us also remember that we have never as a nation succeeded in getting foreign nations to do what they do not consider it wise for them to do on a selfish nationalistic basis. Also let us remember that if we cannot be assured of world-wide stabilization, we must then adopt a nationalistic policy ourselves. We too *must* be selfish when it comes to "whose labor survives?"

Ray Bill

The Human Side of Management

(Continued from page 435)

especially unfortunate if his health is bad. He may be able to pay for service, but he must miss the attentions that come from affection alone. Of course, if our hard-boiled friend in his old age and in poor health happens also to lose his money—then it is just too bad. He hasn't even the compensation of pleasant memories.

After all—notwithstanding the fortune he has acquired, notwithstanding his prominence in the community—such men in the end do more for their businesses than their success in turn does for them.

Their philosophy is a hard one. They believe in material success. If a man has not those qualities that lead to his making money they have a certain contempt for him. This feeling extends to their less successful and poorer relatives. This is frequently shown when they die. While they may not through their long lives have been at all interested in literature, art or culture, still it is a very common thing for them to will the bulk of their estate, or very large sums of money, to colleges or museums, while at the same time they leave very small amounts, if anything, to their numerous relatives.

There is one interesting case where an executive of this type surprised the world by leaving an enormous fortune to the Metropolitan Museum here in New York. From the best information that could be had this executive had never been in the museum more than three or four times in his life. While millions went to the museum, a comparatively small sum, something like fifty thousand dollars, was left to the manager of his business, who had toiled for years building up this mass fortune. It would be an interesting study, if the information could be gathered, to know just what led this man to make this large gift to an already rich and well-endowed institution, while he did not leave his employees enough money to buy his business, so there was a probability of the business itself that had created the fortune drifting into other hands.

George Ade in one of his fables makes a very interesting study of this type. A boy went to the circus. In the sawdust just under the ticket window he found a silver dollar. He brought this dollar home. He was the envy of all of his friends for possessing a dollar. He was told to put this dollar in a bank and save his money. He did. Then he became a

newsboy. Every week he made a deposit in his bank account. This bank account became his obsession. Finally he had enough money to make loans to his friends. In time he became a banker, and after a while the richest man in his town. He never had time for anything excepting chasing the dollars. His only joy in life was increasing his cash balance.

Finally, he found himself in the hospital. The doctor informed him he had only a few hours to live. The man gazed out of the window for a few moments and then turned to the doctor and said, "Doc, will you answer me one question? I am just about to go. *I would like to know, before I leave this world, what it has all been about.*"

Salesmen's Federation Provides Trained Men for Needy Companies

"To raise the ethics and standards of the salesmen's profession, improve his opportunity for employment, and create a better relationship between him, his employer and the public," the Salesmen's National Federation has been organized, with corporate offices in the Trustees System Building, Chicago.

The Federation is set up on a local unit basis. M. B. Adamson, of the Des Moines Salesmen's Council, explained to this magazine that "we have a store of honest, capable men, well versed in their line, who need employment. Somewhere there are firms needing these men. We are striving to bring them together."

"Any firm needing one or more salesmen need merely advise the council. Quick contacts are formed at a total cost of 3 cents postage. No charge is made either to the employer or to the men selected—the cost being borne by all of us through the small amount of dues going to support the council."

Mr. Adamson's address is Fleming Building, Des Moines.

Smith-Corona Moves

Executive offices of L C Smith & Corona Typewriters, Inc., including the advertising department, will be moved from New York City to Syracuse May 1. Gordon Laurence, advertising manager, has joined Nascon Service as vice-president and account executive. Nascon will handle the Smith-Corona advertising.



What kind of Letters

Collect money NOW?

Don't say, "If they haven't got it, they can't pay." Every debtor has **some** money; can meet **some** bills. Will he pay **you**—or "the other fellow"?

You **can** speed up collections **NOW**. There is a way to get money due you. Learn this secret, and how to use it. Old plans no longer work. Old methods fail. Conditions demand a new technique; a very different handling of credits and collections. It's the big problem of a New Era.

Maxwell Droke has been studying this problem closely; gathering **tested** collection letters to **meet the needs of NOW**. You can have the benefit of his findings—a group of 25 amazingly effective collection letters—

SPECIAL OFFER: Send a dollar (cash, money-order or check) with your order for 25 Collection Letters, and we will include **FREE**, a copy of Mr. Droke's book, just off the press, **Collecting Money in These Times**. Remember, 25 Tested Collection Letters and the book—all for one dollar! But hurry! This is a Special Introductory Offer. Money back guarantee, of course.

Readers of the "Sales Letters" department in this publication, who are interested in a more comprehensive study of letter principles, will find Maxwell Droke's **Letter Laboratory** of great practical value. This is an eighteen-section portfolio of letter data, indexed for ready reference. It presents and analyzes scores of letters that brought inquiries and orders; letters that opened new accounts and revived old ones; letters that gained the cooperation of wholesalers and dealers; letters that inspired salesmen and agents; adjustment letters; good-will letters—the whole range of business correspondence. The price is \$7.50. We'll gladly send a copy to responsible executives on ten days' approval, or with a money-back guarantee, if remittance accompanies your order.

MAXWELL DROKE

P. O. Box 611-a
Indianapolis, Indiana

4/15/35
N. Y. Times

Design Premiums for Beer Trade.

Manufacturers of premium merchandise turned their attention this week to the preparation of novelty premium goods for the brewing trade. Although no active efforts have been made to market the novelties yet, producers have worked out sample lines, including such staples as bottle openers and coasters for glasses. Explaining the delay in pushing their products, the manufacturers said that brewers will not discuss premiums until the present demand for beer subsidies and normal competitive conditions arise. Articles which can be manufactured for around 3 cents are sought for this business.

3.2 and Your Product — Can They Work Together?

Have you ever watched salmon fight to reach spawning grounds? Many a sales story is battling just such odds to reach "Yes" and "No" men in the brewing industry.

Undoubtedly the brewers will soon become leaders in the use of premiums. But not while 24-hour shifts are unable to meet the demand for their products.

When this flood of orders subsides—when local brewers must fight national organizations—when national organizations attempt to intrench themselves in distant markets—when the battle to make housewives brand-conscious begins—when enterprising brewers start their drives for 3-bottle, 6-bottle and case sales, then premiums will be used in tremendous quantities.

How to get your share of this business? One sure way is through the advertising columns of **SALES MANAGEMENT**—a magazine which brewery executives read and respected during the lean years, long before President Roosevelt made 3.2 a household term.

Ask us to show you how **SALES MANAGEMENT** covers this industry. Ask us to tell you how a modest investment will get your product to the attention of the men who say "Yes" and "No" in this, perhaps the most important of all markets for your products.

Address

"Premiums and Sales Contests" Department

SALES MANAGEMENT

420 Lexington Avenue

New York City

Premiums and Sales Contests

Business Is Looking Up

Although only two months old, the department has received 76 inquiries. That's very good—in fact, I think it's swell! But I can't emphasize too strongly that in the use of premiums it is *the plan* that counts. In order not only to recommend a premium product but to suggest an intelligent plan, I should have detailed information. I would like to know the type of product you manufacture; what it sells for; how it is distributed; how many salesmen you have; what you wish to accomplish with premiums; whether or not you have ever used premiums; to what group the offer is to be made, and the approximate price you can afford to pay for premiums.

Don't Forget the Children

I am impressed by the advertising campaign of a general magazine which features the statement, "The shadow of a man stands behind every woman who buys." To carry this thought along, there must be one or more smaller shadows behind a good percentage of these women.

The Perfection Biscuit Company, of Fort Wayne, Indiana, was not unmindful of this when it developed its recent combination offer to grocers. Through their local grocers children were offered the choice of a rubber football or playball in connection with the purchase of a one-pound package of crackers at the regular price of 29 cents for the crackers. The offer was advertised in newspapers, by radio, with window streamers, through insertions in other popular Perfection packages, and—you may be sure—by the children themselves.

In this particular instance, the entire cost of the premiums was carried by the grocers. The popularity of the offer with dealers is indicated by the fact that the initial order of balls lasted but three days. It was necessary to place four additional orders during the two months' campaign, and sales were increased 30 per cent.

It is interesting to note that the product selected for premium promotion was not a weak sister. It was the company's leading brand—the brand on which the bulk of the advertising appropriation is expended.

The rubber footballs and playballs were manufactured by the United States Rubber Company, 1790 Broadway, New York City.

A Balance the Budget Contest

"Can you give us a contest plan that's new and different—something which hasn't been worked to death?" is a plea that is reaching us with increasing frequency these days. So much so, in fact, that I am submitting a salesmen's prize contest which I think is timely, practical and original. If it strikes a popular response, we will, from time to time, suggest other original contest plans.

The plan suggested is based on the unique and well-nigh universal interest in Washington doings. It is a *Balance the Budget* contest—a contest which makes of your sales force a counterpart of the national Government. Here are the mechanics:

Duration: from two to four months.

The Budget is the sales quota for the length of the contest. If the quota is \$100,000, the Budget is \$100,000 "in the red" when the contest opens. *Balance the Budget*—that's the goal!

Set a nominal sales figure, the attainment of which will make each of your men a Congressman. Don't make it too difficult to reach this goal. Get a substantial number of men into the contest in a hurry.

Step up the volume of sales required to become a Senator. Make the salesmen hustle to achieve this honor. Portfolios in the President's cabinet are the rewards for signal sales achievement. The second high man becomes Vice-President, and the top man, of course, wins the Presidency. To make the contest highly competitive perhaps it's a good idea to pick the high man in each district for cabinet honors.

If the contest is to run for two months, initial rankings should be announced at the end of the first week, and promotions and demotions made known every week thereafter. If the contest is for four months, initial rankings can be announced at the end of the first two weeks, and promotions and demotions made known every two weeks. The President at the time of the first announcement may be a Congressman when the second announcement is made, if his sales have slipped.

So much for the general set-up. Now for promotion, the possibilities for which are limited only by your facilities for putting on such a contest. It is suggested that all bulletins, letters, etc., be signed by the Budget Director (the sales manager). At the end of each two weeks, or month, have the presiding President send a letter to his congressmen, senators and cabinet members. Perhaps he will call a "Special Session" (extra calls per day). Let him send "special messages" inspiring the men to greater effort.

For a contest of this nature **SALES MANAGEMENT** believes that merchandise prizes will be far more effective than cash. We believe this to be true in ordinary times and especially so today, for the reason that most of us are doing without many things which we should like to have. For example, the golf fiend will work twice as hard to win a set of nationally advertised clubs than he would for the cash you might offer in its place.

In the selection of prizes, see to it that many of them will interest the salesmen's wives. Address at least one letter to the women folk. Get them into the contest! Three groups, or classes, of prizes should be selected: (1) a moderately priced group from which the Congressmen can make their selections; (2) a more expensive group from which Senators can pick their prizes; (3) a group of rather substantial prizes from which cabinet members can make a choice. Special prizes should be awarded to the Vice-President and President.

For those subscribers who desire it, **SALES MANAGEMENT** will gladly recommend prize articles and furnish sources of supply. In addition, a stamped self-addressed envelope will bring any interested subscriber a set of letters and other promotion suggestions which we are preparing. There is no charge for this service.

Does It Pay to Sell at a Loss?

(Continued from page 432)

2. Direct labor—which was exactly predictable.
3. Factory overhead—in this case practically 100 per cent of direct labor.
4. Administrative and selling—which was practically a fixed charge because done entirely by the owners of the business with little travel.
5. Profit.

The following chart A presents these five items in graphic form. Material in this case accounts for a large part of the total because the product is a comparatively simple fabrication of material.

Referring to Chart A, the sales manager was figuring, on any special job, that anything beyond (1) + (2), or 65 per cent of a proper price, including all five items as 100 per cent, would help carry the overhead and reduce losses. In principle, he was right *except* that it was necessary to split the overhead into "variable" and "fixed."

Variable overhead included items which varied with production, such as: Oxygen and acetylene for cutting.

Current for power and light, compressed air, conveyors, hoists, etc.

Oil for furnaces.

Depreciation of machinery (not obsolescence).

Drafting and engineering labor.

Timekeeping and payroll labor—costing labor.

Foremanship (beyond a minimum budgeted for minimum production).

Compensation insurance.

Fixed overhead included such items as:

Taxes.

Building repairs and depreciation.

Machinery and equipment obsolescence.

Superintendence.

Janitor.

Estimating and drafting required for estimating.

Minimum budget for foremanship.

A careful analysis by the accounting department of all items of overhead and a division into variable and fixed resulted in chart B. This shows that any selling price less than (1) + (2) + (3a) simply means not only failure to absorb any fixed charges, but actually gives dollars away. Any price beyond (3a) reduces the losses by helping absorb a greater or less part of the fixed charges (plus profit).

	(1)	(2)	(3)	(4)	(5)
CHART—A	MATERIAL	DIRECT LABOR	OVERHEAD	Admin. and Selling	Profit

	(1)	(2)	(3)a	b	(4)	(5)
CHART—B	MATERIAL	DIRECT LABOR	Variable Over-head	Fixed Over-head	Admin. and Selling	Profit
	Actual Money-Out-of-Pocket Cost..					

Van Camp Sea Food Adds \$50,000 to Ad Budget

Four hundred thousand dollars—an increase of \$50,000 from the appropriation for 1932—will be spent in advertising Chicken of the Sea and White Star tuna fish this year, by Van Camp Sea Food Company, Terminal Island, California. Emil Brisacher & Staff is the agency.

Ninety per cent of the expenditure will be in 300 newspapers throughout the country, Mr. Brisacher said, and 10 per cent in 24-sheet posters.

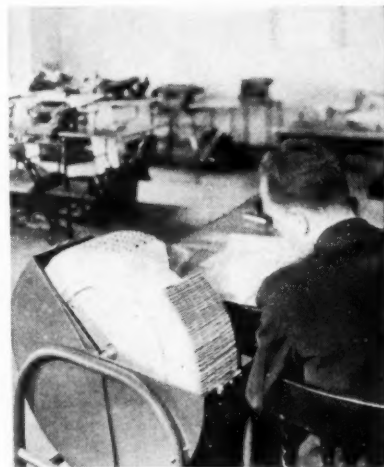
Consistent advertising (SM, Sept. 15, 1932) has been primarily respon-

sible for the fact that Van Camp's share of the total tuna fish pack has increased in the last decade from 31 to 52 per cent. The company's total output is now more than 60,000,000 tins annually of California fish products.

Popular Oil Burners

To enable specialty distributors to study oil burner profit possibilities without experimenting, Cleveland Steel Products Corporation, Torridheat burners, has issued a new book entitled "Dollars from Empty Coal Bins." Twenty-eight of 60 distributors interviewed by the corporation recently declared their intention to add new lines—20 of them to add oil burners. The results of this study are covered in the book.

A New Turn



Here is something really new and different, basically sound and eminently practical.

Wheeldex is a new type of card file which is simple; more compact; more speedy; easier to handle and less expensive than older types of equipment.

One of the many handy Wheeldex units is shown above, housing 4,500 4" x 6" cards; it is used for checking thousands of freight rates daily in a New York office.

Send Now, for illustrated Wheeldex folder and/or our "Records Plan for Sales Managers," an authoritative and interesting brief prepared especially for Sales Management readers.

Scholfield Service, Inc.

122 East 42nd Street
New York, N. Y.



These most valuable booklets of the month will be sent free to executive readers who make a separate request for each one on their business letterheads. Booklets will be mailed by the companies which publish them.

Address SALES MANAGEMENT, Inc., Reader's Service Bureau, 420 Lexington Avenue, New York.

Markets

Hawaii—as the Camera Sees It—There's a treat in store for any marketeer, company or agency, who will give his imagination rein for the short time required rapidly to scan the pages of this brochure. It is a market study with a minimum of statistics—but enough to make you think!—and pages and pages of photographs—110 of 'em. In four well-written pages the industrial, historical and commercial development of the Islands is presented. A high spot in this brief summary is the fact that since 1918 Hawaii has contributed annually more money to the Federal treasury than sixteen states of the Union. (The states are named, and make an impressive showing for Hawaiian industry.) "American in government, American in institutions, American in spirit, Hawaii is also American in the drive and vigor of its business development." Follow the 110 pages of camera studies, intriguing as a tourist folder, but presented here to show to American industries the sort of market in which their products circulate. Business blocks, palm-lined streets and drives, docks and shipping, air views courtesy of Uncle Sam's army sky-writers, famed Waikiki and less famed but beautiful beaches, mountains and fields of other islands in the group, charming homes, stately hotels and government buildings—and on and on. Four cartograph maps in color show the manifold tourist and commercial activities of the islands of Hawaii, Oahu (site of Honolulu), Maui and Kauai, all connected by plane and boat service. The book is published by the Honolulu *Star-Bulletin*, leading newspaper of the Islands. It is available to and should be snapped up by executives of national advertisers or agencies.

Newspapers

Newspaper Advertising—We believe you will be well advised to send for this booklet, just published by the Bureau of Advertising of the American Newspaper Publishers' Association, as a handy book of facts and references about newspaper advantages and uses. Pocket size, 80 pages and cover, the booklet is admirably qualified to assist advertisers, as well as the newspaper solicitors for whom it was primarily

intended, in understanding the broad subject it covers. Almost every conceivable subject relating to newspaper advertising—competitive as well as cooperative—is covered with brief quotations, sources for which and for further information are given at the conclusion of each section. On the subject of radio, for example, the high mortality of radio broadcast advertisers, 1928-31, inclusive, is cited, as well as the difficulty of determining coverage. Diagrammatically the thesis is developed that out of every 100 American homes, 51 have radio sets, 41 owners are at home, 24 sets are turned on, 13 are tuned in to the "best" station, at any one time, this representing the maximum possible percentage of homes that any single program can reach. Appropriations of all classifications of newspaper advertisers are broken down, with numerous important advertisers cited by name, and, in some instances, by quotations certifying to the value of their newspaper advertising. If you are using newspapers on a large scale, there is much condensed information here that should be in the hands of your field men.

Packages

Package Design in Molded Durez—General Plastics, Inc., one of the world's largest plastic manufacturers, supply to molding firms the increasingly well-known product, Durez. It is a phenol, formaldehyde compound, said to possess the quality of resisting permanently the staining effects of acids, alkalies, oils, heat, etc., and available in all colors except white. In the folder listed here, General Plastics have presented with admirable brevity and illustrative effects examples of all manner of containers—jars, compacts, trays, boxes, display stands, as well as closures. And have hinted broadly at uses now under consideration by manufacturers—uses which are designed to make irresistible the appeal of good products. Included are ten loose sheets naming, picturing and describing the principal contributions to package design of some of the country's leading designers—Arthur S. Allen, Henry Dreyfuss, etc.

These names will be more and more on the tongue of manufacturers who are keeping up with trends in sales promotion through design. The information about each one of these men should be in your files for reference when you decide a better looking package might change that red entry to black.



Suits for Spring

—custom tailored, individually made, give the business man assurance, satisfaction and confidence.

Newest selection of imported cloths.

Prices lowest in years.

Shotland & Shotland

Men's Tailors

15 W. 45th St.  New York, N. Y.

Personal Service and Supplies

Classified Rates: 50c a line of seven words; minimum \$3.00. No display. Cash Basis Only. Remittance Must Accompany Order

EXECUTIVES WANTED

IF YOU ARE OPEN TO OVERTURES FOR new connection and qualified for a salary between \$2,500 and \$25,000, your response to this announcement is invited. The undersigned provides a thoroughly organized service of recognized standing and reputation through which preliminaries are negotiated confidentially for positions of the calibre indicated. The procedure is individualized to each client's personal requirements, your identity covered and present position protected. Established twenty-three years. Send only name and address for details. R. W. Bixby, Inc., 118 Delward Building, Buffalo, N. Y.

FOR SALE

FOR SALE—ONE MOTOR-DRIVEN MULTIGRAPH, complete with printing ink attachment, printers' type, and segments, in A-1 condition. The J. M. Smucker Co., Orrville, Ohio.

HELP WANTED

SALESMEN WANTED: FOR HOUSE-TO-house canvass on cosmetic novelty in suburbs of New Jersey, Long Island and Westchester. Will pay 50 per cent commission on \$2 item. Want men or women who would later develop into crew managers. Address Box 370, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

LINES WANTED

HOSIERY MANUFACTURER WANTS TO get in touch with firms who have line suitable for sale by house-to-house force. Items should not compete with present line of ladies and men's hosiery. Present sales force calls regularly on same buyers. Address Box 371, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

PHOTOSTATS

COMMERCE PHOTO-PRINT CORP.

42 Broadway 33 West 42nd St. 80 Maiden Lane
Tel LONgacre 8645

PHOTOGRAPHS

TORONTO
MONTREAL
WINNIPEG
LONDON, Eng.

GIBBONS KNOWS CANADA

REGINA
CALGARY
EDMONTON
VANCOUVER
VICTORIA